

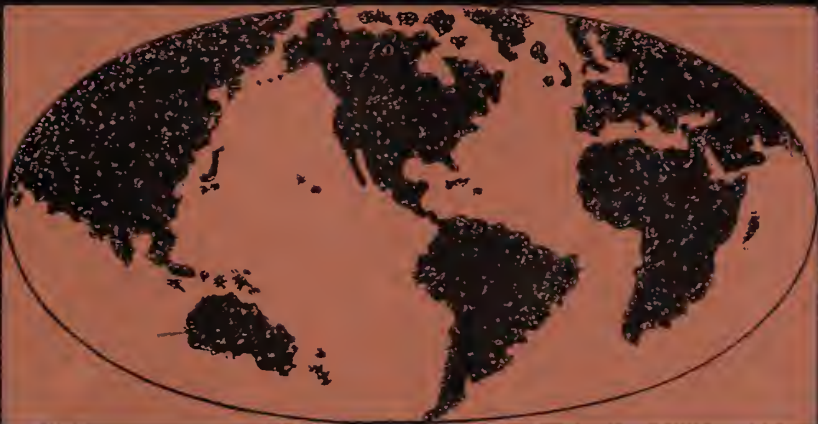
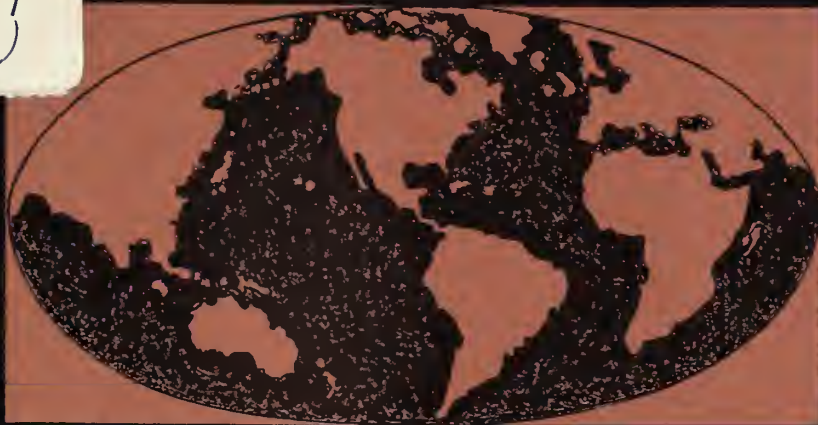
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**MOVING  
AGRICULTURAL  
ABUNDANCE  
INTO  
CONSUMPTION**

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
Office of the General Sales Manager

AD-33 Booklets  
(1-63)

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# MOVING AGRICULTURAL ABUNDANCE into CONSUMPTION

## FOREWORD

The technological revolution in U.S. agriculture continues to expand an already-bountiful production at the same time that acreage in crops is declining. Agricultural output per man-hour today is double what it was 10 years ago. The average U.S. family spends less of its income on food than at any other time in our history. We not only have enough for our own people, at relatively moderate cost, but we also are able to export substantial quantities every year. As Secretary of Agriculture Orville L. Freeman puts it, "This is truly a revolution of abundance."

Heavy production, however, can affect prices farmers receive. To protect prices from undue fluctuations, price support programs have been developed by the Commodity Credit Corporation. In carrying on these programs, the CCC acquires inventories of agricultural commodities.

The first three sections of this publication show in graphic form how the CCC moves its inventories into useful consumption. Overall, it has been a successful effort. Between July 1, 1955, and June 30, 1964, nearly \$27 billion worth of U.S. farm products were moved from CCC stocks to consumer use in the United States and abroad.

And the rate of out-movement is increasing. The value of commodities in price support inventories, which totaled \$6.0 billion on June 30, 1960, had been reduced to \$4.3 billion by June 30, 1964.

CCC emphasizes sales for dollars. In the fiscal year 1964 dollar sales amounted to \$1.1 billion, or 55 percent (including payment-in-kind redemptions) of the total volume of \$2.7 billion moved from CCC commodity holdings. Of these dollar sales \$261,745,000 worth of commodities was sold in the United States and \$849,931,000 worth in foreign markets. The balance represented the value of farm products moved through other important programs—largely export programs—such as sales for foreign currencies, barter, transfers to other government agencies, donations, and credit.

(It should be noted that total U.S. agricultural exports—both from CCC and privately owned stocks—are on the upgrade. Total agricultural exports for the fiscal year 1964 reached an alltime high of \$6.1 billion—\$4.5 billion for dollars and \$1.6 billion under the Food for Peace Program. Greatest gains in 1964 were made for wheat, wheat flour, cotton, oilseed products, feed grains, dairy products, and rice. Sales under the CCC credit program during 1964 reached an alltime high of \$118 million.)

Title IV, P.L. 480 sales agreements signed since August 1961 through June 30, 1964, amounted to \$262 million, including ocean transportation costs. (Title IV is explained on pages 13 through 15. The development of more effective export programs is important because most nations are trying to increase agricultural production. The U.S. faces increasing competition in foreign markets from several countries which also have surpluses of the same agricultural commodities.

Payment-in-kind programs are designed to encourage exports from commercial supplies instead of from CCC inventories, thus placing the merchandising functions in the hands of the private trade. Certificates at the applicable subsidy rates redeemable in commodities from CCC stocks are issued to U.S. exporters upon proof of export of commodities obtained from private stocks. Exporters thus move commodities from the farm into export through commercial trade channels, rather than through the Commodity Credit Corporation. The cotton PIK program has worked somewhat differently, and is explained on page 20. In November 1964, the Department authorized interchangeable commodity redemption of certificates.

Until May 12, 1958, CCC sold the bulk of its commodities for export on competitive bid. Since that time, CCC has developed payment-in-kind programs for corn (May 12, 1958), barley, oats, grain sorghums, and rye (July 1, 1958), rice (December 15, 1958), cotton (May 29, 1959), and nonfat dry milk (March 6, 1962). The payment-in-kind program for wheat has been in effect since September 4, 1956.

Export subsidy rates determined by the Office of the General Sales Manager, FAS, reflect the amounts necessary to make U.S. PIK commodities competitive in foreign markets with crops produced in other countries. The rates are kept under constant review so as to bridge the gap between higher domestic prices and lower prices of the crops of competing nations in foreign markets. U.S. feed grain prices have been competitive in most world markets, therefore, it has not been necessary to grant an export subsidy allowance for feed grains for more than the past 2 years. (The payment-in-kind program for rice is shown on page 21 and for dairy products on pages 26 through 28). How U.S. price support commodities are being channeled into consumption with regard to CCC inventories is shown in this booklet as outlined below:

Section I deals with CCC's price support inventory position from June 30, 1955, through June 30, 1964, in relation to total U.S. production by crop year.

Section II illustrates the different programs under which CCC commodities are channeled into consumption.

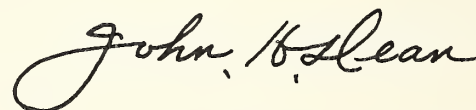
Section III explains the payment-in-kind program for cotton, the relationships between PIK certificates earned, issued, and redeemed, and shows how export subsidies equalize price relationships between domestic and foreign markets.

Section IV deals with the total U.S. export growth of all commodities, the increasing importance of Japan to the U.S. export market, and continued growth in exports of dairy products.

Material for this booklet was compiled and largely written by Ralph E. Spencer, Staff Assistant, Office of the General Sales Manager. ✓



Frank LeRoux  
General Sales Manager



John H. Dean  
Deputy General Sales Manager



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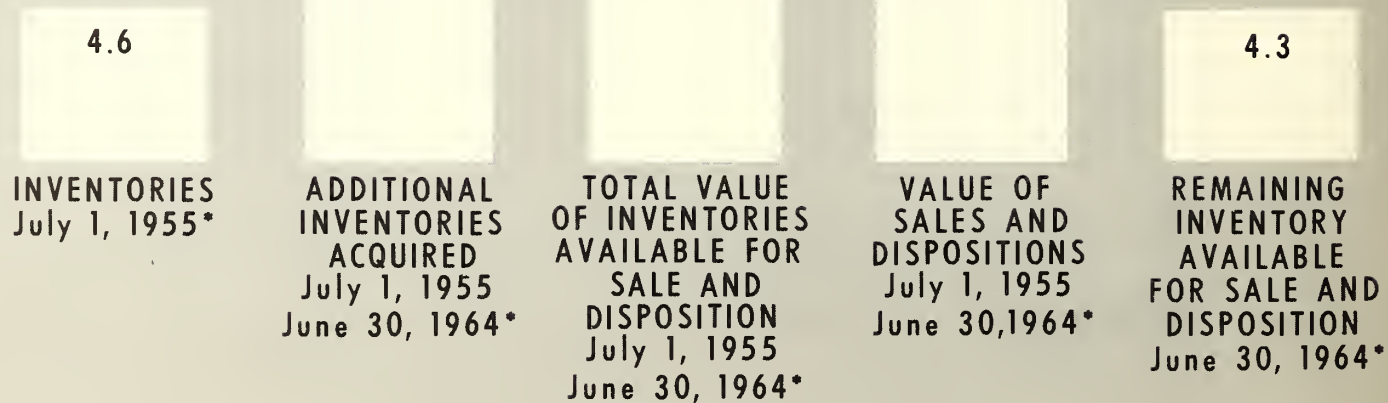
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**CCC INVENTORIES, ACQUISITIONS,  
SALES AND DISPOSITIONS,  
REVALUED BASIS,  
ALL COMMODITIES  
(Cost Value)\***

*July 1, 1955 - June 30, 1964*

*\*Includes value of exchange commodities*



Billion of Dollars



# PRICE SUPPORT INVENTORY POSITION



This section relates to CCC inventories, acquisitions, sales and dispositions in total and for individual commodities. Also the annual U. S. production of CCC commodities is shown.

Chart on opposite page shows total cost value of commodities in CCC inventory as of July 1, 1955. This chart also shows the additional inventories acquired, the total cost value of inventories available for sale and disposition, the cost value of sales and dispositions for the period July 1, 1955 through June 30, 1964 and the remaining inventory for sales and disposition as of June 30, 1964. If CCC had not been able to move the \$26.7 billion worth of commodities during this period, present CCC inventories would total \$31.0 billion.

# 1

**Selected Price Support Commodities,  
U.S. Production, CCC Inventories,  
Acquisitions, Sales and Dispositions,  
and Remaining Inventories of CCC  
Commodities by Marketing Years**

**YEARS 1957 - 1964**

**WHEAT (1,000 BU.)**

| MARKETING<br>YEAR | U.S.<br>PRODUCTION | CCC INVENTORY<br>AS OF 7/1 | ACQUISITIONS<br>7/1-6/30 | SALES &<br>DISPOSITIONS<br>7/1-6/30 | REMAINING<br>INV. 6/30 |
|-------------------|--------------------|----------------------------|--------------------------|-------------------------------------|------------------------|
| 1                 | 2                  | 3                          | 4                        | 5                                   | 6                      |
| 1958-59           | 1,457,435          | 834,921                    | 463,399                  | 151,744                             | 1,146,576              |
| 1959-60           | 1,121,118          | 1,146,576                  | 193,885                  | 145,092                             | 1,195,369              |
| 1960-61           | 1,357,272          | 1,195,369                  | 257,877                  | 210,728                             | 1,242,518              |
| 1961-62           | 1,234,743          | 1,242,518                  | 130,201                  | 276,099                             | 1,096,620              |
| 1962-63           | 1,093,667          | 1,096,620                  | 194,786                  | 208,942                             | 1,082,464              |
| 1963-64           | 1,137,641          | 1,082,464                  | 98,447                   | 352,060                             | 828,851                |

**CORN (1,000 BU.)**

| MARKETING<br>YEAR | U.S.<br>PRODUCTION | CCC INVENTORY<br>AS OF 10/1 | ACQUISITIONS<br>10/1-9/30 | SALES &<br>DISPOSITIONS<br>10/1-9/30 | REMAINING<br>INV. 9/30 |
|-------------------|--------------------|-----------------------------|---------------------------|--------------------------------------|------------------------|
| 1                 | 2                  | 3                           | 4                         | 5                                    | 6                      |
| 1957-58           | 3,045,355          | 873,324                     | 421,225                   | 217,419                              | 1,077,130              |
| 1958-59           | 3,356,205          | 1,077,130                   | 333,961                   | 226,754                              | 1,184,337              |
| 1959-60           | 3,824,598          | 1,184,337                   | 273,844                   | 145,419                              | 1,312,762              |
| 1960-61           | 3,908,070          | 1,312,762                   | 368,869                   | 310,628                              | 1,371,003              |
| 1961-62           | 3,625,530          | 1,371,003                   | 471,330                   | 975,030                              | 867,303                |
| 1962-63           | 3,636,673          | 867,303                     | 671,234                   | 735,891                              | 802,646                |

\* Grain only.

**GRAIN SORGHUMS (1,000 BU.)**

| MARKETING<br>YEAR | U.S.<br>PRODUCTION | CCC INVENTORY<br>AS OF 10/1 | ACQUISITIONS<br>10/1-9/30 | SALES &<br>DISPOSITIONS<br>10/1-9/30 | REMAINING<br>INV. 9/30 |
|-------------------|--------------------|-----------------------------|---------------------------|--------------------------------------|------------------------|
| 1                 | 2                  | 3                           | 4                         | 5                                    | 6                      |
| 1957-58           | 567,505            | 75,063                      | 275,954                   | 56,173                               | 294,844                |
| 1958-59           | 581,012            | 294,844                     | 246,834                   | 51,094                               | 490,584                |
| 1959-60           | 555,211            | 490,584                     | 97,396                    | 26,391                               | 561,589                |
| 1960-61           | 619,866            | 561,589                     | 170,516                   | 58,664                               | 673,441                |
| 1961-62           | 479,751            | 673,441                     | 195,146                   | 220,965                              | 647,622                |
| 1962-63           | 509,685            | 647,622                     | 205,846                   | 241,346                              | 612,123                |

**BARLEY (1,000 BU.)**

| MARKETING<br>YEAR | U.S.<br>PRODUCTION | CCC INVENTORY<br>AS OF 7/1 | ACQUISITIONS<br>7/1-6/30 | SALES &<br>DISPOSITIONS<br>7/1-6/30 | REMAINING<br>INV. 6/30 |
|-------------------|--------------------|----------------------------|--------------------------|-------------------------------------|------------------------|
| 1                 | 2                  | 3                          | 4                        | 5                                   | 6                      |
| 1958-59           | 477,368            | 85,513                     | 49,353                   | 35,523                              | 99,343                 |
| 1959-60           | 422,383            | 99,343                     | 30,705                   | 58,997                              | 71,051                 |
| 1960-61           | 431,309            | 71,051                     | 17,650                   | 34,932                              | 53,769                 |
| 1961-62           | 395,669            | 53,769                     | 20,458                   | 40,135                              | 34,092                 |
| 1962-63           | 436,448            | 34,092                     | 23,934                   | 11,050                              | 46,976                 |
| 1963-64           | 399,921            | 46,976                     | 11,227                   | 30,295                              | 27,908                 |

**ROUGH RICE (1,000 CWT.)**

| MARKETING<br>YEAR | U.S.<br>PRODUCTION | CCC INVENTORY<br>AS OF 8/1 | ACQUISITIONS<br>8/1-7/31 | SALES &<br>DISPOSITIONS<br>8/1-7/31 | REMAINING<br>INV. 7/31 |
|-------------------|--------------------|----------------------------|--------------------------|-------------------------------------|------------------------|
| 1                 | 2                  | 3                          | 4                        | 5                                   | 6                      |
| 1958-59           | 44,760             | 6,495                      | 6,551                    | 8,796                               | 4,250                  |
| 1959-60           | 53,647             | 4,250                      | 7,064                    | 6,823                               | 4,491                  |
| 1960-61           | 54,591             | 4,491                      | 4,864                    | 5,411                               | 3,944                  |
| 1961-62           | 54,198             | 3,944                      | 42                       | 3,950                               | 36                     |
| 1962-63           | 66,045             | 36                         | 1,832                    | 36                                  | 1,832                  |
| 1963-64           | 70,083             | 1,832                      | 773                      | 1,171                               | 1,434                  |

### OATS (1,000 BU. )

| MARKETING<br>YEAR | U.S.<br>PRODUCTION | CCC INVENTORY<br>AS OF 7/1 | ACQUISITIONS<br>7/1-6/30 | SALES &<br>DISPOSITIONS<br>7/1-6/30 | REMAINING<br>INV. 6/30 |
|-------------------|--------------------|----------------------------|--------------------------|-------------------------------------|------------------------|
| 1                 | 2                  | 3                          | 4                        | 5                                   | 6                      |
| 1958-59           | 1,401,410          | 29,940                     | 30,822                   | 13,924                              | 46,838                 |
| 1959-60           | 1,052,059          | 46,838                     | 14,345                   | 46,087                              | 15,096                 |
| 1960-61           | 1,155,312          | 15,096                     | 1,891                    | 6,629                               | 10,358                 |
| 1961-62           | 1,011,398          | 10,358                     | 13,366                   | 6,980                               | 16,744                 |
| 1962-63           | 1,020,371          | 16,744                     | 7,936                    | 6,057                               | 18,623                 |
| 1963-64           | 980,910            | 18,623                     | 17,442                   | 2,876                               | 33,189                 |

### RYE (1,000 BU. )

| MARKETING<br>YEAR | U.S.<br>PRODUCTION | CCC INVENTORY<br>AS OF 7/1 | ACQUISITIONS<br>7/1-6/30 | SALES &<br>DISPOSITIONS<br>7/1-6/30 | REMAINING<br>INV. 6/30 |
|-------------------|--------------------|----------------------------|--------------------------|-------------------------------------|------------------------|
| 1                 | 2                  | 3                          | 4                        | 5                                   | 6                      |
| 1958-59           | 33,182             | 6,091                      | 6,099                    | 5,590                               | 6,600                  |
| 1959-60           | 23,076             | 6,600                      | 3,267                    | 4,549                               | 5,318                  |
| 1960-61           | 33,052             | 5,318                      | 1,772                    | 2,767                               | 4,323                  |
| 1961-62           | 27,476             | 4,323                      | 863                      | 2,569                               | 2,617                  |
| 1962-63           | 40,803             | 2,617                      | 1,362                    | 2,416                               | 1,565                  |
| 1963-64           | 29,407             | 1,563                      | 460                      | 1,257                               | 766                    |

### COTTON, UPLAND (1,000 BALES)

| MARKETING<br>YEAR | U.S.<br>PRODUCTION | CCC INVENTORY<br>AS OF 8/1 | ACQUISITIONS<br>8/1-7/31 | SALES &<br>DISPOSITIONS<br>8/1-7/31 | REMAINING<br>INV. 7/31 |
|-------------------|--------------------|----------------------------|--------------------------|-------------------------------------|------------------------|
| 1                 | 2                  | 3                          | 4                        | 5                                   | 6                      |
| 1958-59           | 11,512             | 937                        | 2,420                    | 2,372                               | 985                    |
| 1959-60           | 14,558             | 985                        | 14,647                   | 10,665                              | 4,967                  |
| 1960-61           | 14,272             | 4,967                      | 7,789                    | 11,078                              | 1,678                  |
| 1961-62           | 14,318             | 1,678                      | —                        | 229                                 | 1,449                  |
| 1962-63           | 14,867             | 1,449                      | 3,243                    | 942                                 | 3,750                  |
| 1963-64           | 15,327             | 3,750                      | 4,718                    | 4,165                               | 4,303                  |

\* Lint

### DRIED MILK (1,000 LBS. )

| MARKETING<br>YEAR | U.S.<br>PRODUCTION | CCC INVENTORY<br>AS OF 4/1 | ACQUISITIONS<br>4/1-3/31 | SALES &<br>DISPOSITIONS<br>4/1-3/31 | REMAINING<br>INV. 3/31 |
|-------------------|--------------------|----------------------------|--------------------------|-------------------------------------|------------------------|
| 1                 | 2                  | 3                          | 4                        | 5                                   | 6                      |
| 1958-59           | 1,712,700          | 146,801                    | 719,162                  | 746,331                             | 119,632                |
| 1959-60           | 1,768,900          | 119,632                    | 812,379                  | 758,188                             | 173,823                |
| 1960-61           | 1,816,600          | 173,823                    | 775,845                  | 685,103                             | 264,565                |
| 1961-62           | 2,109,000          | 264,565                    | 1,128,982                | 968,455                             | 425,092                |
| 1962-63           | 2,189,000          | 425,092                    | 1,306,133                | 1,032,512                           | 698,713                |
| 1963-64           | 2,122,000          | 698,713                    | 1,017,329                | 1,306,392                           | 409,650                |

### BUTTER (1,000 LBS. )

| MARKETING<br>YEAR | U.S.<br>PRODUCTION | CCC INVENTORY<br>AS OF 4/1 | ACQUISITIONS<br>4/1-3/31 | SALES &<br>DISPOSITIONS<br>4/1-3/31 | REMAINING<br>INV. 3/31 |
|-------------------|--------------------|----------------------------|--------------------------|-------------------------------------|------------------------|
| 1                 | 2                  | 3                          | 4                        | 5                                   | 6                      |
| 1958-59           | 1,376,200          | 82,159                     | 168,244                  | 208,600                             | 41,803                 |
| 1959-60           | 1,354,700          | 41,803                     | 134,630                  | 132,184                             | 44,249                 |
| 1960-61           | 1,484,126          | 44,249                     | 152,995                  | 125,014                             | 72,230                 |
| 1961-62           | 1,534,545          | 72,230                     | 385,857                  | 187,046                             | 271,041                |
| 1962-63           | 1,401,200          | 271,041                    | 309,477                  | 183,982                             | 396,536                |
| 1963-64           | 1,421,000          | 396,536                    | 162,791                  | 386,627                             | 172,700                |

### CHEESE (1,000 LBS. )

| MARKETING<br>YEAR | U.S.<br>PRODUCTION | CCC INVENTORY<br>AS OF 4/1 | ACQUISITIONS<br>4/1-3/31 | SALES &<br>DISPOSITIONS<br>4/1-3/31 | REMAINING<br>INV. 3/31 |
|-------------------|--------------------|----------------------------|--------------------------|-------------------------------------|------------------------|
| 1                 | 2                  | 3                          | 4                        | 5                                   | 6                      |
| 1958-59           | 975,400            | 187,571                    | 51,764                   | 228,264                             | 11,071                 |
| 1959-60           | 946,300            | 11,071                     | 52,070                   | 51,488                              | 11,653                 |
| 1960-61           | 1,041,700          | 11,653                     | 198                      | 11,851                              | —                      |
| 1961-62           | 1,093,722          | —                          | 150,400                  | 83,389                              | 67,011                 |
| 1962-63           | 1,125,450          | 67,011                     | 180,727                  | 167,574                             | 80,164                 |
| 1963-64           | 1,137,000          | 80,164                     | 127,380                  | 180,202                             | 27,342                 |

**Selected Price Support Commodities, U.S. Production, CCC inventories, Acquisitions, Sales and Dispositions, and Remaining inventories of CCC Commodities by Marketing Years. (Continued)**

**DRY EDIBLE BEANS (1,000 CWT.)**

| MARKETING YEAR | U.S. PRODUCTION | CCC INVENTORY AS OF 9/1 | ACQUISITIONS 9/1-8/31 | SALES & DISPOSITIONS 9/1-8/31 | REMAINING INV. 8/31 |
|----------------|-----------------|-------------------------|-----------------------|-------------------------------|---------------------|
| 1              | 2               | 3                       | 4                     | 5                             | 6                   |
| 1957-58        | 15,670          | 671                     | 106                   | 711                           | 66                  |
| 1958-59        | 19,287          | 66                      | 625                   | 297                           | 394                 |
| 1959-60        | 18,939          | 394                     | 189                   | 550                           | 33                  |
| 1960-61        | 17,917          | 33                      | 1,846                 | 880                           | 999                 |
| 1961-62        | 20,287          | 999                     | 3,083                 | 1,818                         | 2,264               |
| 1962-63        | 18,599          | 2,264                   | 1,286                 | 2,637                         | 912                 |

**GUM TURPENTINE (1,000 GALS.)**

| MARKETING YEAR | U.S. PRODUCTION | CCC INVENTORY AS OF 4/1 | ACQUISITIONS 4/1-3/31 | SALES & DISPOSITIONS 4/1-3/31 | REMAINING INV. 3/31 |
|----------------|-----------------|-------------------------|-----------------------|-------------------------------|---------------------|
| 1              | 2               | 3                       | 4                     | 5                             | 6                   |
| 1958-59        | 6,015           | 428                     | 211                   | 6                             | 633                 |
| 1959-60        | 5,370           | 633                     | 0                     | 633                           | 0                   |
| 1960-61        | 5,948           | 0                       | 221                   | 221                           | 0                   |
| 1961-62        | 3,056           | 0                       | 1,730                 | 0                             | 1,730               |
| 1962-63        | 3,042           | 1,730                   | 0                     | 804                           | 926                 |
| 1963-64        | 2,810           | 926                     | 0                     | 926                           | 0                   |

**PEANUTS (1,000 LBS.)**

| MARKETING YEAR | U.S. PRODUCTION | CCC INVENTORY AS OF 9/1 | ACQUISITIONS 9/1-8/31 | SALES & DISPOSITIONS 9/1-8/31 | REMAINING INV. 8/31 |
|----------------|-----------------|-------------------------|-----------------------|-------------------------------|---------------------|
| 1              | 2               | 3                       | 4                     | 5                             | 6                   |
| 1957-58        | 1,435,549       | 122,205                 | 106,588               | 147,172                       | 81,621              |
| 1958-59        | 1,814,242       | 81,621                  | 339,028               | 280,833                       | 139,816             |
| 1959-60        | 1,587,799       | 139,816                 | 225,358               | 263,233                       | 101,941             |
| 1960-61        | 1,786,266       | 101,941                 | 252,871               | 300,196                       | 54,616              |
| 1961-62        | 1,739,600       | 54,616                  | 32,117                | 46,237                        | 40,496              |
| 1962-63        | 1,809,880       | 40,496                  | 248,640               | 221,440                       | 67,696              |

**TOBACCO (FLUE CURED) (1,000 LBS.)**

| MARKETING YEAR | U.S. PRODUCTION | LOANS OUTSTANDING AS OF 7/1 | Farm Sales Weight NEW LOANS 7/1-6/30 | SALES & DISPOSITIONS 7/1-6/30 | LOANS OUTSTANDING AS OF 6/30 |
|----------------|-----------------|-----------------------------|--------------------------------------|-------------------------------|------------------------------|
| 1              | 2               | 3                           | 4                                    | 5                             | 6                            |
| 1958-59        | 1,080,719       | 560,557                     | 129,133                              | 118,700                       | 570,990                      |
| 1959-60        | 1,250,638       | 570,990                     | 48,489                               | 119,603                       | 499,876                      |
| 1960-61        | 1,254,228       | 499,876                     | 45,347                               | 90,530                        | 454,693                      |
| 1961-62        | 1,257,891       | 454,693                     | 62,301                               | 172,341                       | 344,653                      |
| 1962-63        | 1,408,448       | 344,653                     | 193,863                              | 105,737                       | 432,779                      |
| 1963-64        | 1,371,000       | 432,779                     | 232,742                              | 73,500                        | 592,021                      |

**MILLED RICE (1,000 CWT.)**

| MARKETING YEAR | U.S. PRODUCTION | CCC INVENTORY AS OF 8/1 | ACQUISITIONS 8/1-7/31 | SALES & DISPOSITIONS 8/1-7/31 | REMAINING INV. 7/31 |
|----------------|-----------------|-------------------------|-----------------------|-------------------------------|---------------------|
| 1              | 2               | 3                       | 4                     | 5                             | 6                   |
| 1958-59        | 30,438          | 3,851                   | 4,833                 | 5,083                         | 3,601               |
| 1959-60        | 34,896          | 3,601                   | 1,626                 | 3,555                         | 1,672               |
| 1960-61        | 36,728          | 1,672                   | 1,982                 | 3,532                         | 122                 |
| 1961-62        | 39,688          | 122                     | 2,002                 | 1,921                         | 203                 |
| 1962-63        | 43,275          | 203                     | 1,011                 | 1,200                         | 14                  |
| 1963-64        | 49,146          | 14                      | 1,382                 | 1,396                         | —                   |

**TOBACCO (ALL OTHER) (1,000 LBS.)**

| MARKETING YEAR | U.S. PRODUCTION | LOANS OUTSTANDING AS OF 10/1 | Farm Sales Weight NEW LOANS 10/1-9/30 | SALES & DISPOSITIONS 10/1-9/30 | LOANS OUTSTANDING AS OF 9/30 |
|----------------|-----------------|------------------------------|---------------------------------------|--------------------------------|------------------------------|
| 1              | 2               | 3                            | 4                                     | 5                              | 6                            |
| 1957-58        | 719,087         | 352,517                      | 41,659                                | 59,306                         | 334,870                      |
| 1958-59        | 743,221         | 334,870                      | 18,527                                | 72,948                         | 280,449                      |
| 1959-60        | 720,234         | 280,449                      | 24,378                                | 147,095                        | 157,732                      |
| 1960-61        | 797,306         | 157,732                      | 25,389                                | 33,971                         | 149,150                      |
| 1961-62        | 803,101         | 149,150                      | 28,888                                | 74,024                         | 104,014                      |
| 1962-63        | 905,916         | 104,014                      | 80,811                                | 15,210                         | 169,615                      |



# **SALES AND DISPOSITION OF CCC PRICE SUPPORT COMMODITIES BY PROGRAM**

## **Dollar Sales**

Sales for dollars both for domestic and export use constitute the largest single outlet for CCC commodities. Title IV has been added to Public Law 480 to permit long term credit sales for dollars both on a government-to-government basis and government-to-private-trade-entity basis. CCC credit sales have become a significant share of CCC credit sales for dollars.

## **Barter**

Under the barter program, eligible CCC commodities are traded for strategic materials for stockpiling and other materials for U. S. Government agencies. Practically all barter transactions are now made for U. S. off share procurement purposes, e.g. to provide U. S. overseas military bases with goods and services that would already be purchased for dollars.

## **Foreign Currency Sales**

Under P. L. 480, Title I, agricultural surpluses are being sold abroad for foreign currencies. The foreign currencies are used abroad by the U. S. to develop new markets for U. S. farm products, to pay U. S. obligations abroad, to finance U. S. educational exchange activities, and as loans or grants to importing countries for economic development purposes.

## **Transfers**

Transfers of CCC stocks are made to the Agency for International Development for donation to any friendly nations for relief requirements. Transfers are also made to the Veterans Administration for use in its hospitals, to the Army, Navy, and Air Force, to Federal penal and correctional institutions, and for relief in any part of the United States declared by the President to be an acute distress area.

## **Donations**

CCC commodities, primarily food commodities, have been donated to recipients in the U. S. and foreign countries.



**SECTION**

**2**

## COST VALUE OF CCC PRICE SUPPORT INVENTORY SALES AND DISPOSITIONS

| FISCAL YEAR                       | DOLLAR SALES <sup>1</sup> | BARTER  | PAYMENT-IN-KIND | P.L. 480 TITLE I <sup>2</sup> | P.L. 480 TITLE IV <sup>2</sup> | TRANSFERS <sup>3</sup> | DONATIONS | TOTAL SALES AND DISPOSITIONS |
|-----------------------------------|---------------------------|---------|-----------------|-------------------------------|--------------------------------|------------------------|-----------|------------------------------|
| 1                                 | 2                         | 3       | 4               | 5                             | 6                              | 7                      | 8         | 9                            |
| (In Millions of Dollars)          |                           |         |                 |                               |                                |                        |           |                              |
| 1959                              | 1,121.4                   | 204.4   | 187.8           | 328.4                         | 0                              | 465.9                  | 301.8     | 2,609.7                      |
| 1960                              | 2,162.5                   | 227.7   | 380.8           | 299.6                         | 0                              | 282.5                  | 244.4     | 3,597.5                      |
| 1961                              | 2,262.8                   | 251.7   | 453.3           | 378.7                         | 0                              | 430.1                  | 280.9     | 4,057.5                      |
| 1962 <sup>4</sup>                 | 727.8                     | 219.8   | 1,227.8         | 218.8                         | 3.6                            | 361.9                  | 467.3     | 3,227.0                      |
| 1963 <sup>4</sup>                 | 653.2                     | 71.5    | 875.8           | 234.0                         | 5.3                            | 222.1                  | 554.7     | 2,616.6                      |
| 1964 <sup>4</sup>                 | 1,111.7                   | 142.9   | 390.3           | 292.0                         | 7.7                            | 151.2                  | 638.0     | 2,733.8                      |
| TOTAL                             | 8,039.4                   | 1,118.0 | 3,515.8         | 1,751.5                       | 16.6                           | 1,913.7                | 2,487.1   | 18,842.1                     |
| % OF TOTAL SALES AND DISPOSITIONS | 42.7                      | 5.9     | 18.6            | 9.3                           | .1                             | 10.2                   | 13.2      | 100.0                        |

## PROCEEDS FROM CCC PRICE SUPPORT INVENTORY SALES AND DISPOSITIONS

|                                   |         |       |         |         |      |         |  |          |
|-----------------------------------|---------|-------|---------|---------|------|---------|--|----------|
| 1959                              | 728.7   | 137.2 | 117.3   | 355.4   | 0    | 470.2   |  | 1,808.8  |
| 1960                              | 1,783.2 | 141.3 | 306.2   | 339.9   | 0    | 287.3   |  | 2,857.9  |
| 1961                              | 1,789.5 | 155.4 | 340.8   | 433.8   | 0    | 442.8   |  | 3,162.3  |
| 1962                              | 570.1   | 212.0 | 955.6   | 386.6   | 6.4  | 426.4   |  | 2,557.1  |
| 1963                              | 584.2   | 73.2  | 840.9   | 421.8   | 9.4  | 264.3   |  | 2,193.8  |
| 1964                              | 903.5   | 138.4 | 423.9   | 453.6   | 13.3 | 197.4   |  | 2,130.1  |
| TOTAL                             | 6,359.2 | 857.5 | 2,984.7 | 2,391.1 | 29.1 | 2,088.4 |  | 14,710.0 |
| % OF TOTAL SALES AND DISPOSITIONS | 43.2    | 5.8   | 20.3    | 16.3    | .2   | 14.2    |  | 100.0    |

<sup>1</sup> Includes sales of rough rice and flaxseed to processors which CCC repurchases under contracts in a processed form. Also included are CCC export credit sales (GSM-1 Revised and GSM-2 Revised).

<sup>2</sup> Does not include P. L. 480 sales from commercial stocks.

<sup>3</sup> Includes P.L. 480, Title II transfers, Sec. 402, (AID formerly ICA), transfers, and Section 32 sales.

<sup>4</sup> Cost value for 1962 and subsequent fiscal years is comprised of acquisition cost, plus the cost of any packaging or processing performed after acquisition. Cost value for prior years included carrying charges in addition to the recorded acquisition cost.

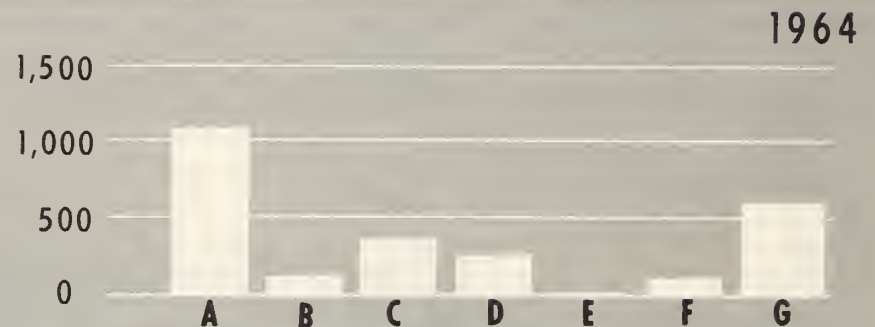
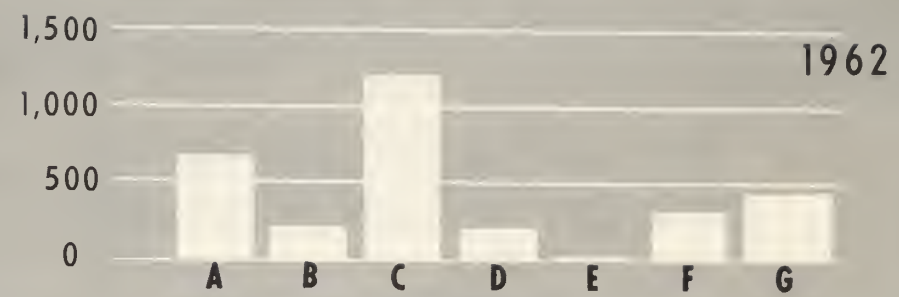
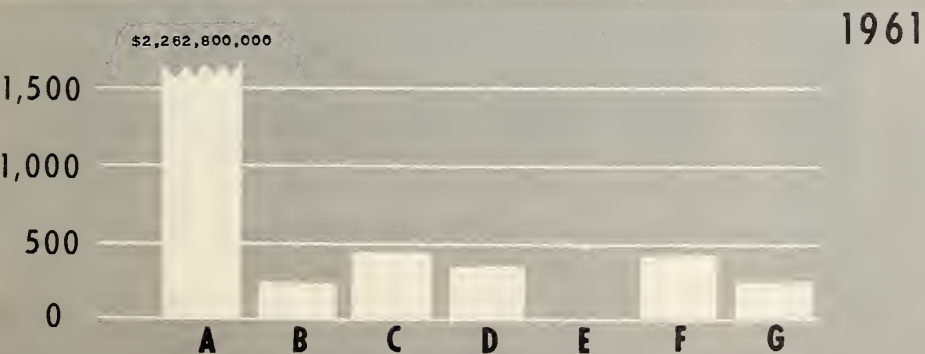
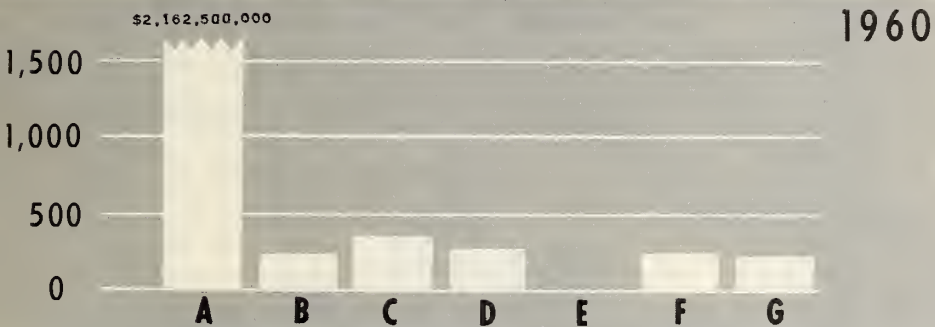
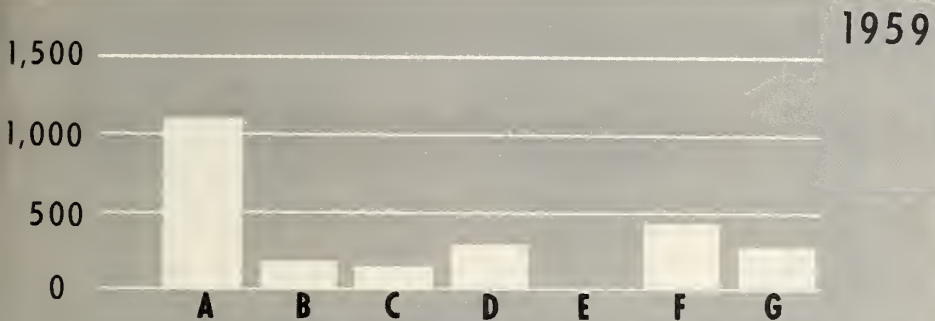
# COST VALUE OF CCC PRICE

## SUPPORT INVENTORY

### SALES AND DISPOSITIONS

July 1, 1958 - June 30, 1964

MILLIONS OF  
DOLLARS

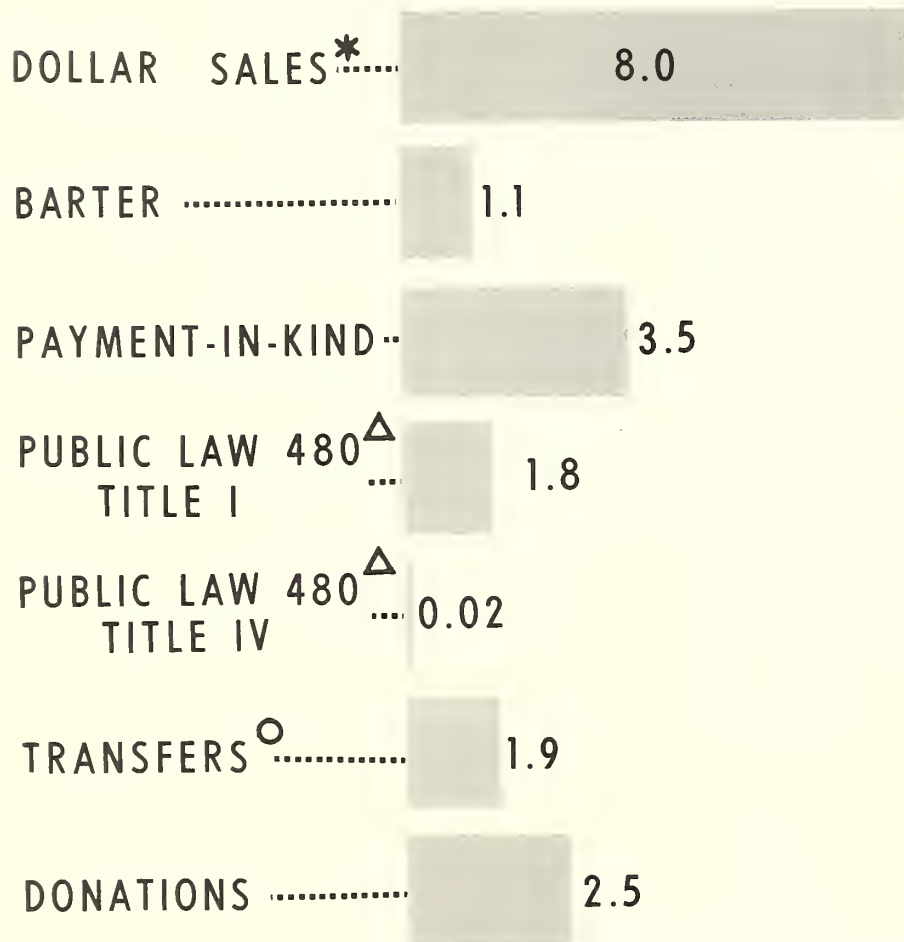


- A DOLLAR SALES:** Includes sales of rough rice and flaxseed to processors which CCC re-purchases, under contracts, in a processed form.
- B BARTER**
- C PAYMENT-IN-KIND**
- D TRANSFERS:** Includes P.L. 480 Title II transfers, Sec. 402 (AID formerly ICA) transfers, and Sec. 32 sales.
- E DONATIONS**
- F SALES FOR FOREIGN CURRENCIES:** Does not include P.L. 480, Title I, sales from commercial stocks.
- G LONG TERM CREDIT SALES FOR DOLLARS**



## COST VALUE OF CCC PRICE SUPPORT INVENTORY SALES AND DISPOSITIONS

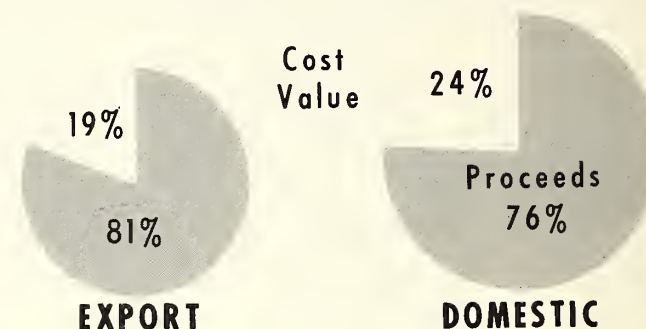
July 1, 1958 - June 30, 1964  
BILLIONS OF DOLLARS



\*INCLUDES SALES OF ROUGH RICE AND FLAXSEED TO PROCESSORS WHICH CCC REPURCHASES UNDER CONTRACTS IN A PROCESSED FORM. <sup>△</sup>DOES NOT INCLUDE P.L. 480 SALES FROM COMMERCIAL STOCKS. <sup>○</sup>INCLUDES P.L. 480 TITLE II TRANSFERS, SEC. 402, (AID FORMERLY ICA) TRANSFERS AND SECTION 32 SALES.

## COST VALUE AND PROCEEDS RETURNED TO CCC FROM EXPORT AND DOMESTIC SALES AND DISPOSITIONS OF COMMODITIES FROM PRICE SUPPORT INVENTORIES

July 1, 1958 - June 30, 1964  
BILLIONS OF DOLLARS



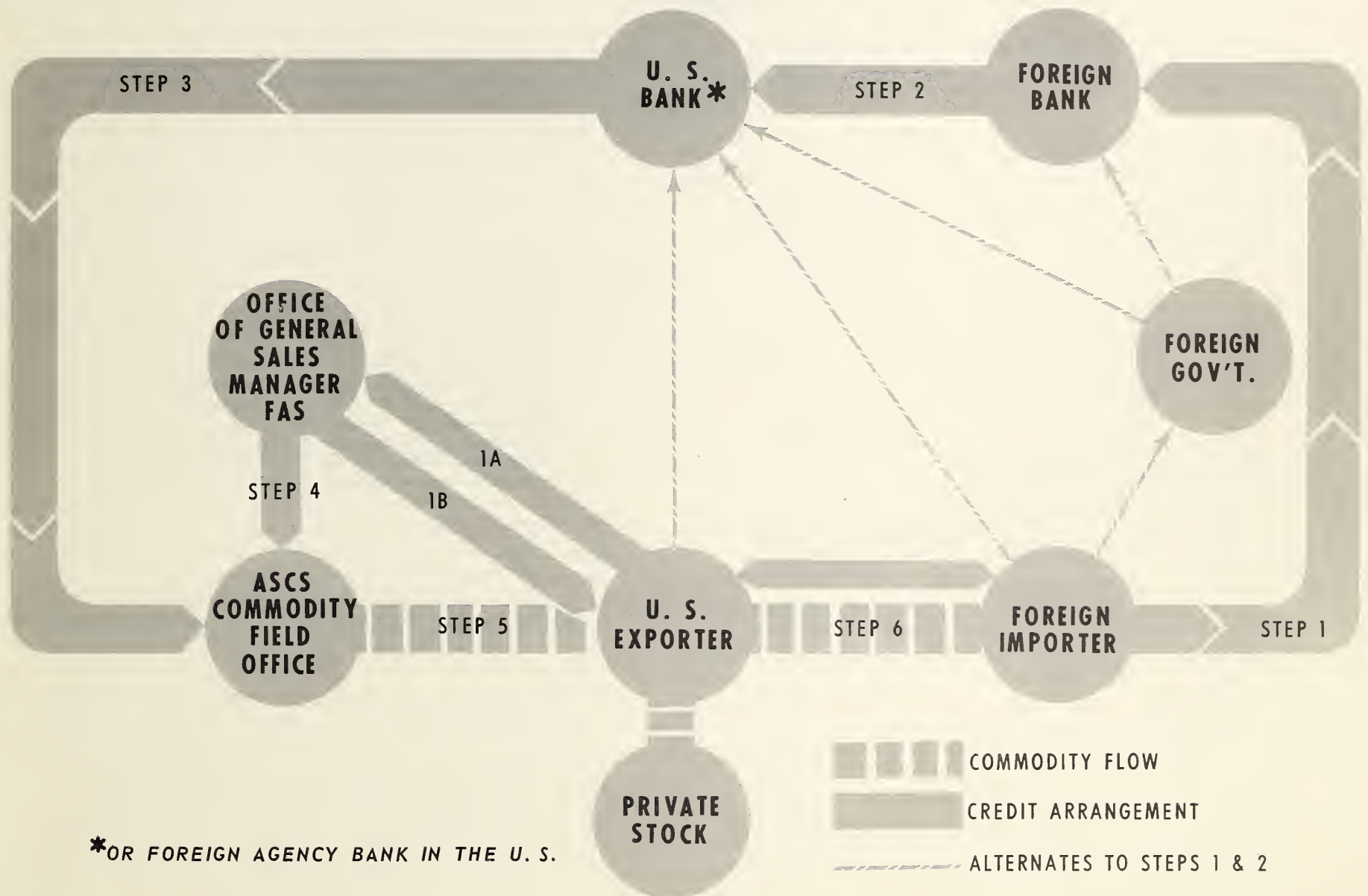
## PROCEEDS FROM TOTAL SALES AND DISPOSITIONS (ALL DISPOSAL PROGRAMS) FROM PRICE SUPPORT INVENTORIES

MILLIONS OF DOLLARS





# HOW THE CCC EXPORT CREDIT SALES PROGRAM WORKS



# **CCC EXPORT CREDIT SALES UNDER AUTHORITY OF THE CCC CHARTER ACT ( ANNOUNCEMENTS GSM-1 REVISED AND GSM-2 REVISED )**

## ***Commodity Availabilities***

Financing for export may be obtained for commodities in CCC inventory, tobacco under loan to CCC and privately-owned stocks. Exporters may apply for CCC credit approvals for the commodities listed below:

Upland cotton  
Extra long staple cotton  
Corn, cornmeal, barley, oats and rye  
Grain sorghums  
Wheat, wheat flour, and bulgur  
Tobacco  
Rice: milled or brown  
Cottonseed oil  
Soybean oil

## ***Periods of Deferred Payment***

Commodities may be purchased on a deferred payment basis for periods up to a maximum of 36 months.

## ***Exportation of Commodities from Private Stocks***

Exporters who ship from private stocks will receive an Export Commodity Certificate (Form CCC-341) for an amount equal to the port value of the commodity. Such certificates are transferable redeemed in any commodity in CCC inventory and tobacco under loan to CCC.

## ***Bank Obligation***

For all purchases made under this program there is required an irrevocable assurance of payment from a bank in the United States. This assurance of payment shall be an obligation of the bank to pay the principal amount plus interest upon expiration of the credit period if payment is not received from other sources and shall be in the form of (i) an irrevocable letter of credit issued or confirmed by such bank obligating the bank to pay sight drafts drawn by CCC,

(ii) an irrevocable letter of credit issued or confirmed by such bank obligating it to accept time drafts drawn by CCC, (iii) a note or time draft drawn for the principal amount plus interest payable at maturity, executed or drawn by any party to the transaction and endorsed or accepted by such bank, or (iv) any other document which constitutes a firm obligation of such bank. The dollar amount involved in the bank obligation covers only the purchase price plus interest if purchase is made from CCC or the sales price of the commodity f.a.s. or f.o.b. vessel United States port or United States border point of exit for shipment from private stocks.

## ***Approval Criteria***

CCC credit arrangements at the terms thereof are approved on the basis of the following criteria:

- (a) Financial conditions of the importing country.
- (b) Upgrading of U.S. government programs.
- (c) Meeting world competition in commodity markets.
- (d) Maintaining U.S. dollar commodity markets.
- (e) Increasing U.S. dollar commodity markets.
- (f) Developing new U.S. dollar commodity markets.
- (g) Credit need of the foreign buyer.

75% of all sales under the CCC Credit Program have been made on a credit period basis of 12 months or less. Generally speaking CCC credit sales of wheat are limited to 6 months. Longer periods may be authorized under unusual circumstances if approved by the Under Secretary of Agriculture. Such sales have been made in a few cases where the importing country is in a semi-developed or poorly developed economic condition or to upgrade U.S. government programs (for example sales for credit for dollars rather than for foreign currencies or barter). The program has been utilized only with the end in mind of maintaining a fair share of the U.S. dollar commodity markets in world trade. In hard dollar markets such as Western Europe only banker's acceptance type CCC credit arrangements are approved by the Office of the General Sales Manager. Between September 16, 1963 and May 15, 1964 54% of the total dollar value of all wheat sales made under the CCC Credit Program were banker's acceptance type transactions.

**Exporter's Obligation**

The exporter is not obligated to buy commodities from CCC or export from private stocks if granted a credit approval. If he is going to use the credit approval, however, he must purchase the commodities in the period specified in the credit arrangement or export from private stocks within 120 days. To the extent that the bank obligation is issued on the basis of the importer's line of credit, the exporter's line of credit will not be used nor will the U.S. exporter be held liable by CCC for the purchase price plus interest in the event of failure by the U.S. bank.

**Cargo Preference Act**

Under no conditions are CCC credit sales negotiated on a government-to-government basis. All sales are made to private U.S. exporters who make their own sales arrangements with foreign buyers. Because of the commercial nature of the CCC Credit Program such sales have in certain instances been used to help satisfy usual marketing requirements where P.L. 480 agreements between the United States and other countries have been in effect. No CCC credit sales have been made to U.S. exporters where the importing country has been a country not recognized by the Government of the United States, and provisions of P.L. 664, 83rd Congress (the Cargo Preference Act) requiring shipment on U.S. flag commercial vessels are not applicable to export sales under the CCC Export Credit Sales Program.

**Purchases**

Purchases of commodities from CCC on credit are made in accordance with applicable CCC sales announcements to the extent that the commodities are available in CCC inventory at the time of purchase.

**Proof of Entry**

For all purchases made under the program where the credit period is in excess of 6 months the U.S. exporter is required to furnish the Office of the General Sales Manager copies of the bills of lading and customs entry certificates properly identified as to the credit approval number in accordance with press release USDA 3249-63, September 26, 1963. This requirement is applicable only to purchases made under credit approvals granted since September 26, 1963.

**Applications**

U.S. exporters apply to the Office of the General Sales Manager, Foreign Agricultural Service, U.S. Department of Agriculture, Washington, D.C. 20250, under Credit Regulations GSM-3.

**Interest Rates**

The following is a brief description of the approximate credit financing charges under the CCC Credit Program: (Rates in effect as of February 1965)

|   | Interest Rate<br>% Per Annum |
|---|------------------------------|
| CCC RATE—TIME DRAFTS—   |                              |
| 6 months banker's acceptance rate   | 4½                           |
| provided in credit approval plus U.S. banker's acceptance fee   | 1½                           |
| total   | 6                            |
| CCC RATE—STANDBY TYPE LETTER OF CREDIT  |                              |
| —up to and including 12 months rate provided in credit approval plus average U.S. bank fee (1/8% per quarter) | 4½                           |
| total   | 5½                           |
| CCC RATE—STANDBY LETTER OF CREDIT   |                              |
| —over 12 to 36 months rate provided in credit approval plus average U.S. bank fee (1/8% per quarter)          | 5                            |
| total   | 5½                           |

It is estimated that commercial U.S. bank fees are approximately 5% per annum. It is clear that banker's acceptance type CCC transactions cost more than current U.S. bank interest charges. All of the above mentioned fees are exclusive of bank fees charged by foreign banks when a standby type of letter of credit is furnished. The foreign buyer must pay a foreign bank fee as well as the U.S. bank charge. This means that the total financing cost is considerably above the cost which a U.S. exporter would have to pay by obtaining funds from private commercial banks in the United States.



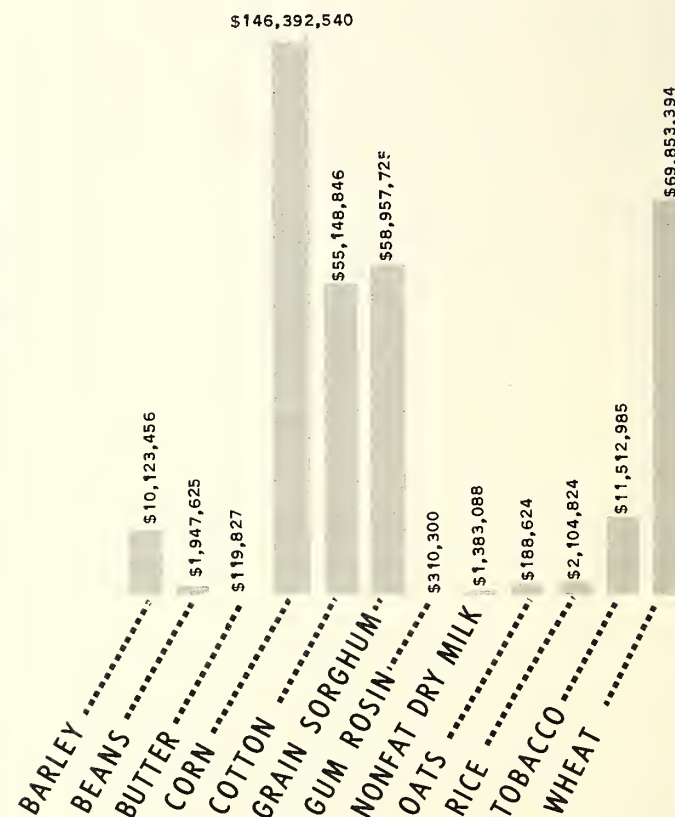
|                            |               |
|----------------------------|---------------|
| AUSTRALIA .....            | \$3,849,231   |
| BELGIUM .....              | \$6,642,888   |
| BRAZIL .....               | \$9,780,567   |
| CHILE .....                | \$5,105,480   |
| COLOMBIA .....             | \$1,202,415   |
| CUBA (before Castro) ..... | \$694,869     |
| DENMARK .....              | \$6,234,469   |
| ECUADOR .....              | \$1,016,726   |
| EL SALVADOR .....          | \$871,567     |
| FRANCE .....               | \$719,969     |
| GUATEMALA .....            | \$6,165,641   |
| HAITI .....                | \$4,793,091   |
| HONDURAS .....             | \$1,371,721   |
| HONG KONG .....            | \$1,592,601   |
| ISRAEL .....               | \$3,337,630   |
| ITALY .....                | \$4,328,565   |
| JAPAN .....                | \$126,348,213 |
| LIBYA .....                | \$779,456     |
| MEXICO .....               | \$21,674,134  |
| NETHERLANDS .....          | \$20,411,658  |
| NEW ZEALAND .....          | \$729,999     |
| NORWAY .....               | \$3,216,982   |
| PERU .....                 | \$6,999,683   |
| PHILIPPINES .....          | \$6,723,856   |
| POLAND .....               | \$19,332,464  |
| SOUTH KOREA .....          | \$3,590,836   |
| SPAIN .....                | \$8,287,426   |
| UNITED KINGDOM .....       | \$26,094,724  |
| VENEZUELA .....            | \$5,653,084   |
| WEST GERMANY .....         | \$9,105,373   |
| OTHER COUNTRIES .....      | \$2,430,916   |

### PURCHASES UNDER THE CCC EXPORT CREDIT SALES PROGRAM BY COUNTRY

March 30, 1956-December 31, 1964  
MILLIONS OF DOLLARS

### PURCHASES UNDER THE CCC EXPORT CREDIT SALES PROGRAM BY COMMODITY

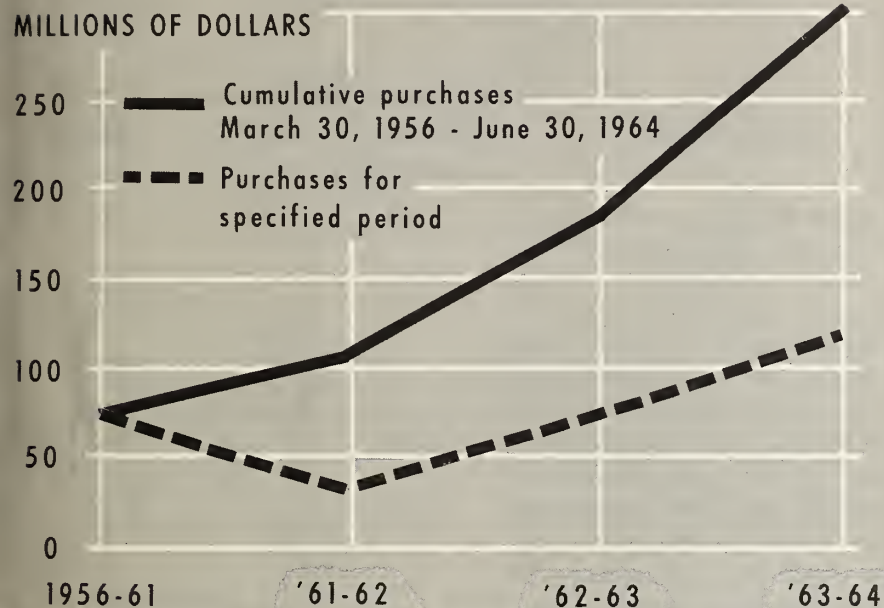
March 30, 1956-December 31, 1964  
MILLIONS OF DOLLARS





# CUMULATIVE PURCHASES UNDER THE CCC EXPORT CREDIT SALES PROGRAM

*GSM-1 and GSM-2*



## DOLLAR CREDIT SALES UNDER TITLE IV, P.L. 480 SALES AGREEMENTS

Title IV of Public Law 480 provides for long-term supply and dollar credit sales of U. S. surplus agricultural commodities. Major objectives of this title are to stimulate and increase the sale of U. S. surplus agricultural commodities for dollars through the extension of credit which will assist in maximizing U. S. dollar exports of such commodities, develop foreign markets for U. S. agricultural commodities and assist in the development of the economies of friendly nations.

Under Title IV of PL 480, the President may enter into long-term supply and credit agreements with the governments of friendly nations and the Secretary of Agriculture may enter into similar agreements with the U. S. or foreign private trade. Under the legislation, such agreements may provide for delivery of U. S. surplus agricultural commodities over periods up to 10 years. Dollar

repayment over periods of up to 20 years is authorized.

Interest is charged on all shipments in each calendar year from the date of last shipment of any commodity under the agreement in such calendar year. The interest rate is fixed at the time the agreement is entered into. Rates of interest, as determined by the Secretary of Agriculture, may not be set at less than the minimum rate specified in the Foreign Assistance Act for dollar repayable development loans. This rate is 2½ % per annum commencing not later than 10 years following the date on which funds are initially made available under the development loan, during which 10-year period the rate of interest shall not be lower than 1 % per annum.

Interest rates under Title IV government-to-government sales agreements are generally related to the country's financial situation. In the case of more highly developed countries with relatively favorable financial positions, the interest rate is generally set at the cost of funds to the U. S. Treasury. In the case of developing countries, it is generally set at the same rate charged in dollar repayable loans for economic development under the Foreign Assistance Act. The maximum period of principal deferment under a Title IV sales agreement is two years from the date of last delivery in each calendar year.

In the case of agreements with the U. S. or foreign private trade, the interest rate is set at the cost of funds to the U.S. Treasury for comparable maturities.

Commodities supplied under the agreements are for domestic consumption within the country to which exported and the agreements include provisions against transshipment or reexport of the commodities supplied under the agreements as well as appropriate limitation on exports of the same or like commodities. Title IV sales programs also include appropriate provision to assure maintenance of U. S. commercial sales of the agricultural commodities being supplied under the Title IV agreement and to assure that supplying commodities under the Title IV agreement will not unduly disrupt world prices of these commodities or normal patterns of commercial trade with friendly countries.

As a general rule, Title IV government-to-government agreements include a formal understanding that the two governments must agree on the use of the local currency proceeds from the sale of commodities under the agreement. Mutually approved uses of sales proceeds in agreements already signed include economic and social development programs and activities such as the provision of supervised

*Continued*

agricultural credit for small farmers and financing of economic development undertakings in both the public and private sectors. In a number of instances, the agreements provide that the sales proceeds shall be used for projects which will further the development of markets for U. S. agricultural commodities. Examples of the latter are the construction of storage, processing and distribution facilities for agricultural commodities.

The basic program provisions applicable to Title IV private trade agreements were issued in July 1963. They provide for emphasis to be placed and preference to be given to agreements with U. S. or foreign private trade entities which will carry out the legislative purpose of expanding dollar exports and developing markets for U. S. agricultural commodities. Financing of private sector economic development other than market development undertakings is also authorized. In all instances, a Title IV private trade agreement would provide that the credit extended, in the form of the local currency proceeds from the sale of U. S. surplus agricultural commodities supplied under the Title IV agreement, must be used only for projects or undertakings specified in the agreement. A substantial number of proposals for agreements with the private trade are under active consideration but, as of June 30, 1964, no such agreements had been entered into.

In the case of Title IV private trade agreements, the interest rate is set at the cost of funds to the U. S. Treasury and the payment period is determined on a case-by-case basis in relation to the needs of the particular proposal and projects proposed to be undertaken. Under Title IV agreements signed with other governments from the beginning of the Title IV program in 1961, through June 30, 1964, the CCC is committed to finance the sale and exportation of U. S. surplus agricultural commodities with an aggregate value on the export market of \$240.6 million excluding ocean transportation costs. In addition CCC was committed under these agreements to finance for the account of the foreign governments concerned approximately \$21.4 million of ocean transportation costs on the minimum 50 percent of the total tonnage required to be moved on vessels registered under the U. S. flag.

The following two tables list the countries and the commodities included in government-to-government agreements and amendments entered into during the period between August 1961, when the first Title IV agreement was signed, and June 30, 1964. In terms of export market values to be financed under agreements signed, major commodities involved are wheat and wheat products, cotton, and vegetable oils and products.

**TITLE IV, P.L. 480  
GOVERNMENT-TO-GOVERNMENT  
AGREEMENTS SIGNED 1/  
( AS OF JUNE 30, 1964 )**

| COUNTRY                       | COMMODITY  | MARKET VALUE<br>(Including OT) | SUPPLY<br>PERIOD <sup>2</sup> | CREDIT<br>PERIOD |
|-------------------------------|--|--------------------------------|-------------------------------|------------------|
|                               |  | Million dollars                | Years                         | Years            |
| <b>BOLIVIA</b>                | Wheat flour, rice, vegetable oil, lard, and dairy products   | 4.3                            | 1                             | 20               |
| <b>CHILE</b>                  | Wheat, wheat flour or bulgur wheat, vegetable oil, corn, tobacco, cotton, forage seeds, nonfat dry milk, butter/anhydrous milk fat | 41.9                           | 1                             | 20               |
| <b>CHINA (Taiwan)</b>         | Soybeans, corn, tobacco, tallow, veg. oil, and dairy products  | 14.9                           | 1                             | 20               |
| <b>COLOMBIA</b>               | Wheat, wheat flour and/or bulgur wheat, inedible tallow, cottonseed, and/or soybean oil, and tobacco products                      | 6.8                            | 1                             | 20               |
| <b>DOMINICAN<br/>REPUBLIC</b> | Rice, tobacco, corn  | 20.0                           | 1 <sup>3</sup>                | 20               |
| <b>ECUADOR</b>                | Wheat, vegetable oil, tobacco products, tallow, and leaf tobacco   | 3.8                            | 1                             | 20               |
| <b>EL SALVADOR</b>            | Wheat and/or wheat flour   | 2.0                            | 1                             | 5                |
| <b>ETHIOPIA</b>               | Cotton   | 1.4                            | 1                             | 15               |
| <b>ICELAND</b>                | Wheat flour and tobacco  | 1.3                            | 1                             | 19               |
| <b>IRAQ</b>                   | Wheat, leaf tobacco and poultry  | 14.8                           | 1                             | 19               |
| <b>LIBERIA</b>                | Wheat flour and/or bulgur wheat, rice, mixed livestock feeds   | 8.6                            | 3                             | 15               |
| <b>PARAGUAY</b>               | Mixed feed   | .2                             | 3                             | 10               |
| <b>PERU</b>                   | Cottonseed and/or soybean oil  | 2.0                            | 1                             | 15               |
| <b>PORTUGAL</b>               | Wheat and/or wheat flour   | 13.2                           | 1                             | 10               |
|                               |  | 10.9                           | 1                             | 5                |
| <b>RYUKYU<br/>ISLANDS</b>     | Wheat, corn, and/or grain sorghums, soybeans, cotton, leaf tobacco, and inedible tallow  | 21.1                           | 3                             | 20               |

| COUNTRY    | COMMODITY  | MARKET VALUE    | SUPPLY              | CREDIT |
|------------|--|-----------------|---------------------|--------|
|            |  | (Including OT)  | PERIOD <sup>2</sup> | PERIOD |
|            |  | Million dollars | Years               | Years  |
| SYRIA      | Leaf tobacco, rice   | 1.8             | 1                   | 10     |
| VENEZUELA  | Cotton, corn, grain/grain products, peas, beans, livestock products, dairy products, oilseeds and oilseed products, fruits, and vegetables | 13.9            | 1 <sup>4</sup>      | 1      |
| YUGOSLAVIA | Cotton and soybean meal, cotton, tallow, dry edible beans, wheat and/or wheat flour  | 33.1            | 1                   | 15     |
|            |  | 26.4            | 1                   | 18     |
|            |  | 19.7            | 1                   | 3      |
|            |  | <u>\$262.0</u>  |                     |        |

<sup>1</sup> Includes amendments to agreements.

<sup>2</sup> Supply period specified in agreement or amendment as signed. Most of the agreements also provide that supply period may be extended to such longer period as may be authorized by the Government of the United States. The supply period in several agreements has subsequently been extended to allow more time for shipment of quantities which were not moved in the year or years originally specified.

<sup>3</sup> Tobacco 3 years.

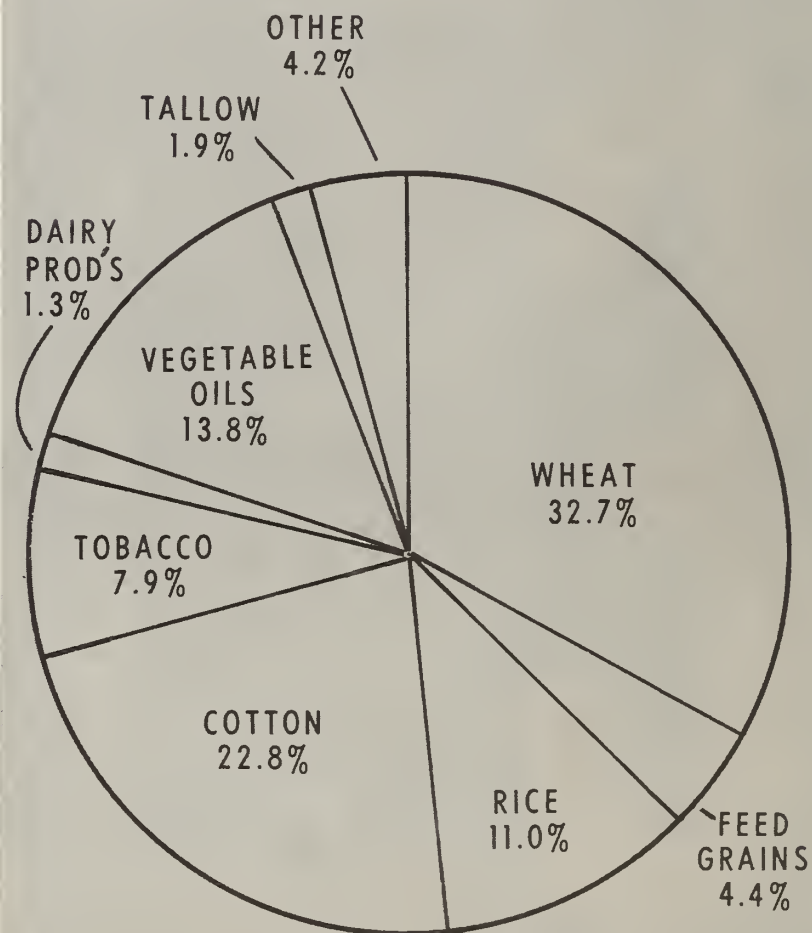
<sup>4</sup> For commodities other than cotton and corn, two years or such longer period as may be specified by U.S. Government.

| COMMODITY                 | UNIT        | QUANTITY                          | EXPORT<br>MARKET<br>VALUE |
|---------------------------|-------------|-----------------------------------|---------------------------|
|                           |             | (Thous.)                          | (Thous.)                  |
| Wheat & wheat products    | Metric tons | 1,205                             | \$ 78,721                 |
| Feed grains               | Metric tons | 200                               | 10,584                    |
| Rice                      | Metric tons | 184                               | 26,580                    |
| Cotton                    | Bales       | 400                               | 54,915                    |
| Tobacco                   | Pounds      | 20,496                            | 18,941                    |
| Dairy products            | Pounds      | 18,486                            | 3,194                     |
| Vegetable oils & products | Pounds      | 504,765                           | 33,106                    |
| Tallow                    | Metric tons | 26                                | 4,564                     |
| Others <sup>1</sup>       |             |                                   | 10,021                    |
|                           |             | Sub-Total                         | \$240,626                 |
|                           |             | Ocean Transportation <sup>2</sup> | 21,397                    |
|                           |             | <b>TOTAL</b>                      | <b>\$262,023</b>          |

<sup>1</sup> Dry beans, forage seeds, frozen poultry, and lard. Also includes anticipated aggregate value of undetermined quantities of several commodities expected to be included in Venezuelan public feeding program.

<sup>2</sup> Ocean transportation costs to be financed by CCC on that tonnage (50% of total) which must be moved on US-flag vessels.

## QUANTITIES AND EXPORT VALUES OF COMMODITIES IN AGREEMENTS AND AMENDMENTS SIGNED UNDER TITLE IV P.L. 480 FROM BEGINNING OF PROGRAM THROUGH JUNE 30, 1964

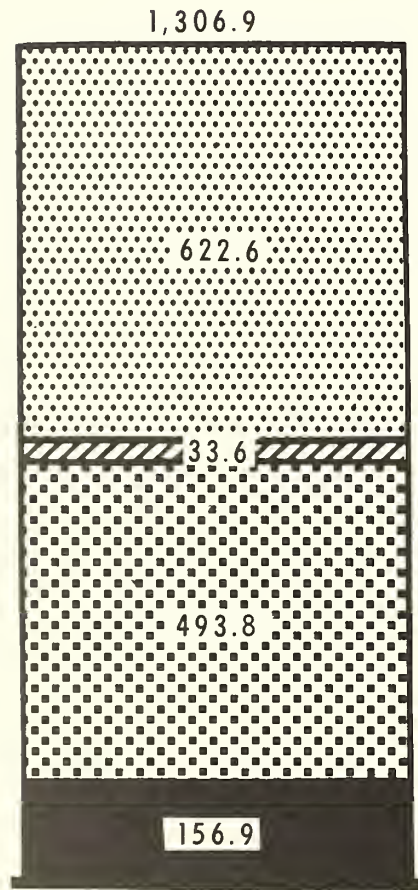




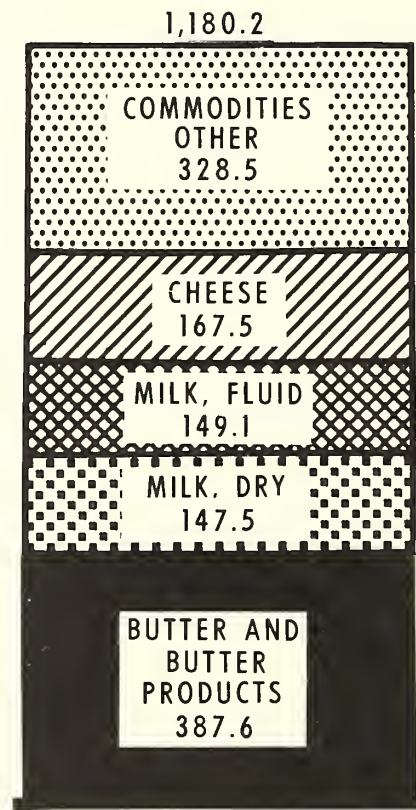
# EXPORT AND DOMESTIC DONATIONS FROM CCC PRICE SUPPORT INVENTORIES SHOWING AMOUNTS OF DAIRY PRODUCTS DONATED

*July 1, 1958 - June 30, 1964*

MILLIONS OF DOLLARS



**EXPORT**



**DOMESTIC**



# PAYMENT-IN-KIND PROGRAM DEVELOPMENT

FORM CCC-341  
(11-16-64)

U. S. DEPARTMENT OF AGRICULTURE  
Commodity Credit Corporation

## EXPORT COMMODITY CERTIFICATE

Nº 49964

This certificate will be redeemed by CCC in any commodity offered for export sale under a CCC regulation or announcement providing for acceptance of such certificates, subject to the terms and conditions of such regulation or announcement. This certificate shall expire if it is not presented to CCC for redemption within 365 days after date of issuance, unless the period for redemption is extended by CCC. This certificate may be presented to CCC either by the payee named below or another person to whom the certificate has been transferred after endorsement by the named payee.

|                                       |                       |                           |                          |       |
|---------------------------------------|-----------------------|---------------------------|--------------------------|-------|
| DATE OF ISSUANCE                      | ISSUED PURSUANT TO:   | VALUE                     | DOLLARS \$               |       |
| REGISTRATION NO. OR<br>ACCEPTANCE NO. | COMMODITY             | QUANTITY                  | PL 480 AUTHORIZATION NO. | OTHER |
| CREDIT SALE NO.                       | PURCHASE CONTRACT NO. | DATE OF EXPORT OR REMARKS |                          |       |

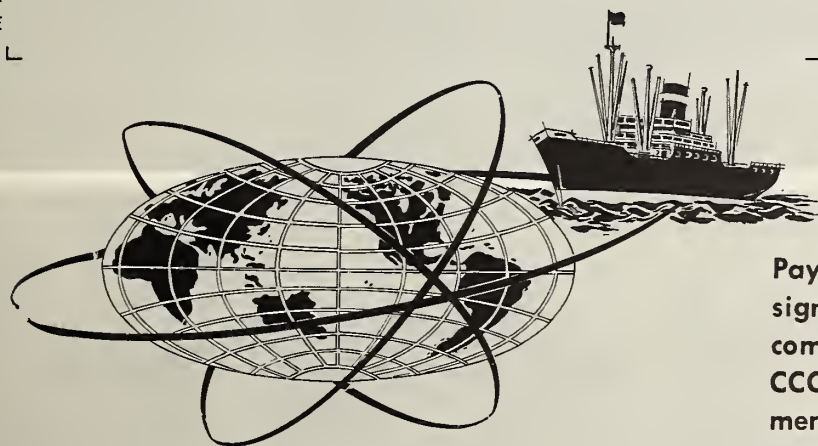
**VOID**

Issuing Office:

P  
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COMMODITY CREDIT CORPORATION

By **VOID**

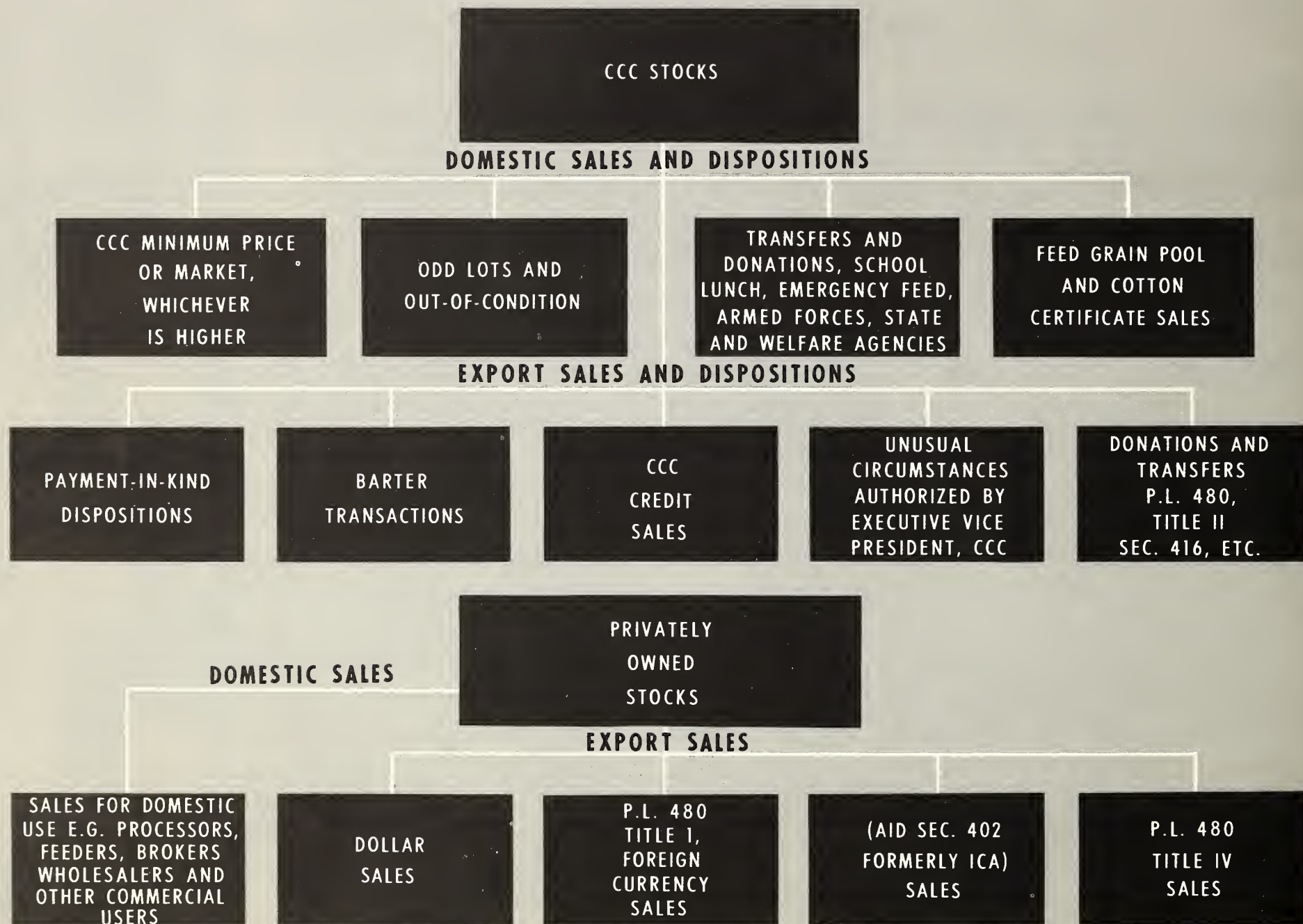


Payment-in-kind programs are designed to encourage exports from commercial supplies instead of from CCC inventories. This places the merchandising functions in the hands of the private trade.

SECTION

3

# GRAIN PAYMENT - IN - KIND FLOW CHART





# CCC COTTON EXPORT PROGRAMS

( Upland Cotton Only )

## Export Payment-in-Kind Program

The purpose of the cotton export payment-in-kind program is to keep U. S. cotton competitively priced in world markets. This program differs from the PIK program for grains as exports of cotton may include cotton which had previously been purchased for unrestricted use from CCC, redeemed through farmers from the CCC inventory or purchased in the open market.

Exporters registered export sales or consignments with CCC on the dates of such sales or consignments and, upon exporting cotton under such arrangements, were eligible to receive payments at the effective rates. The export payment rate for the marketing year 1962-1963 and for the marketing year beginning August 1, 1963, was 8.5¢ per

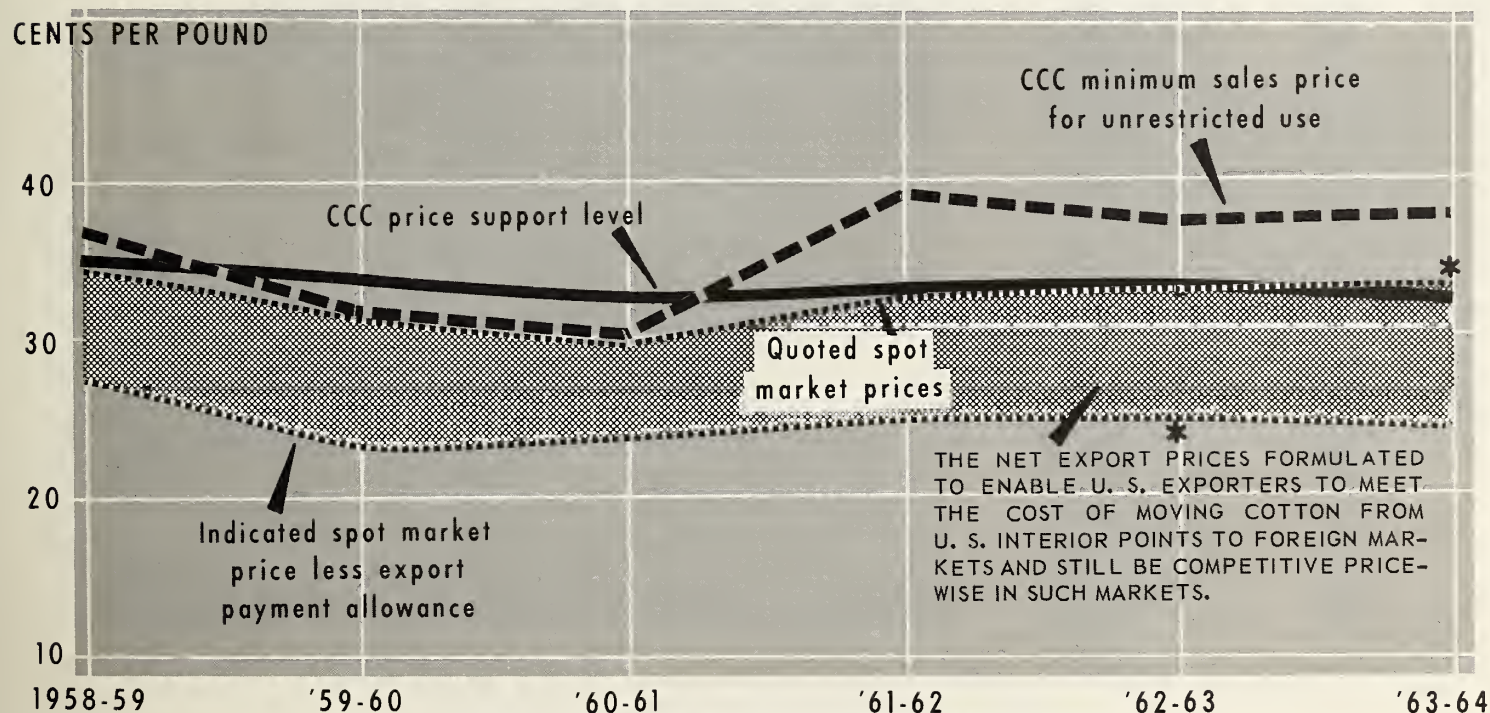
pound, but was subject to change without prior notice. Upon submission of evidence of exportation and an application for payment, CCC issued a transferable certificate having a face value equal to the gross weight of the cotton exported times the applicable payment rate. Such certificates could be used to acquire cotton from CCC inventory, repayment of CCC loan stocks or for cash after 60 days from date of issuance.

## Direct Sales Program

For the marketing year August 1, 1963-July 31, 1964 CCC made available its upland cotton inventory for export under sales for export programs. Such cotton was sold at prices determined by CCC to be competitive in world markets.

## UPLAND COTTON

CCC Minimum Support Prices, Minimum Sales Prices for Unrestricted Use, Quoted Spot Market Prices, and Quoted Spot Market Prices Less Applicable PIK Export Payment Allowance. All Prices for Middling Inch at Average Location in January of Marketing Year.



\* DIRECT SALES FOR EXPORT PROGRAMS REINSTITATED  
MARCH 1963 FOR 1963-64 MARKETING YEAR.

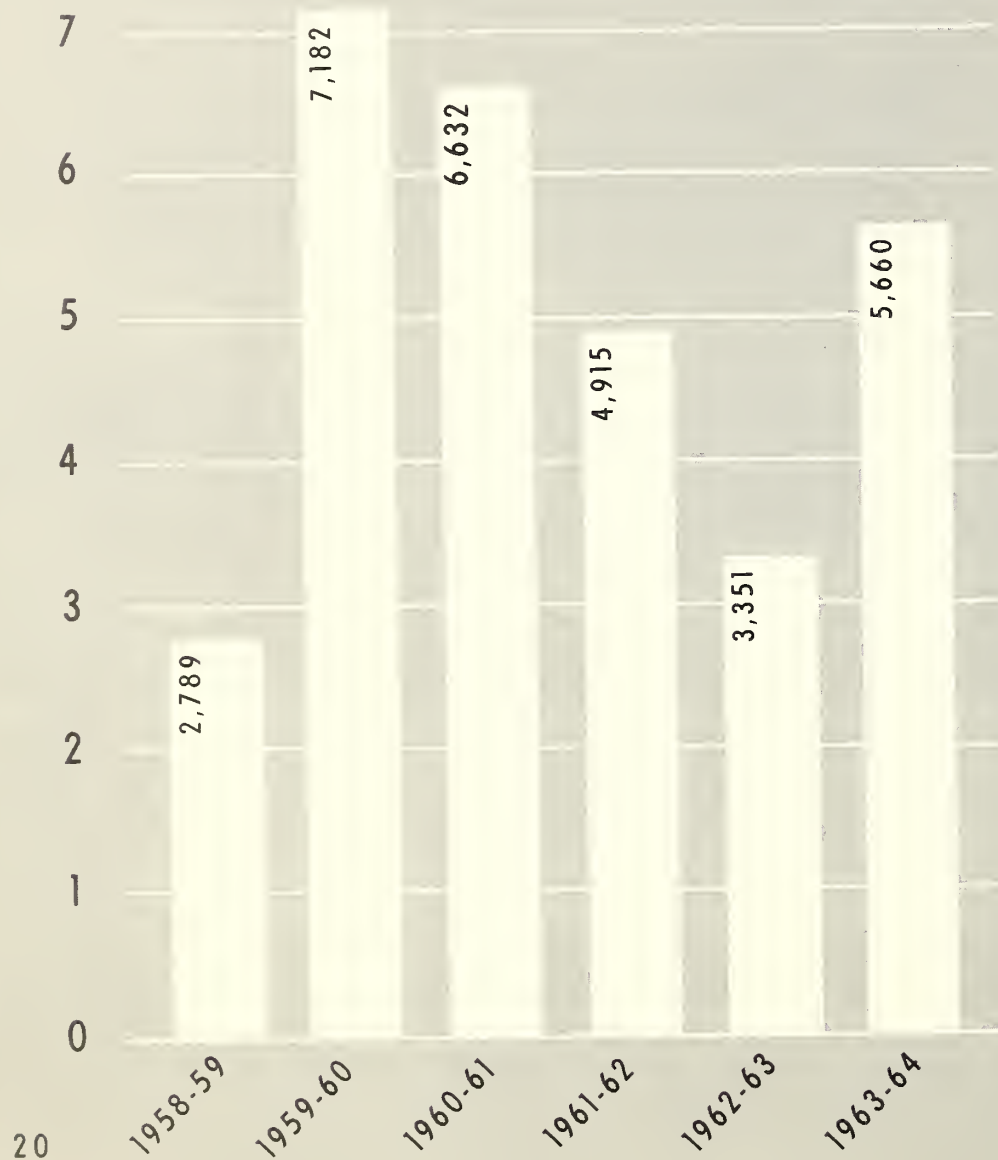
Maid of Cotton 1964



## COTTON - NET EXPORTS BY MARKETING YEAR

*Year Beginning August 1 through July 31*

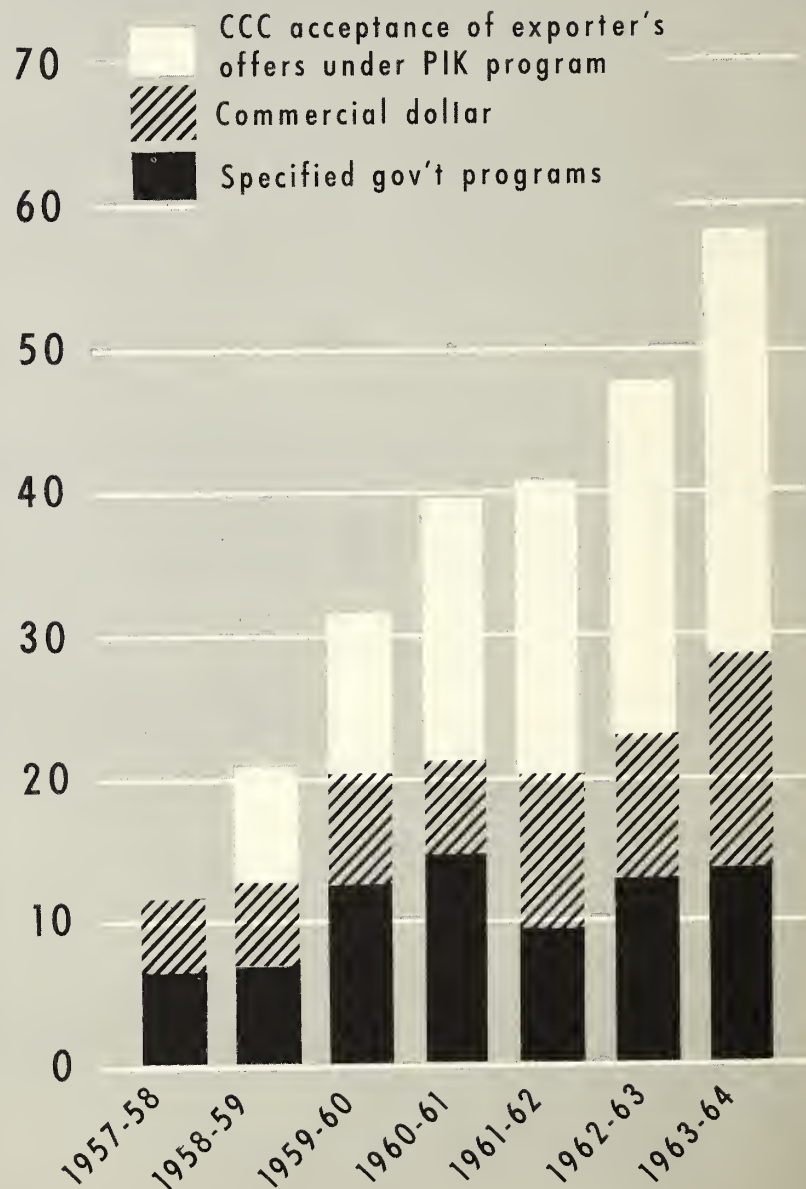
THOUSAND BALES



## MILLED RICE

*U. S. Exports Under Various Programs*

MILLION OF CWT.





**WHEAT\***  
**RICE :**

**QUANTITY OF ACCEPTED OFFERS TO EXPORT, EXPORT PAYMENT ALLOWANCES  
EARNED IN THE FORM OF PAYMENT-IN-KIND (PIK) CERTIFICATES AND PIK  
CERTIFICATES REDEEMED FOR WHEAT AND RICE FROM CCC STOCKS**

**WHEAT**

Sept. 4, 1956-June 30, 1964  
Mil. Bu.

Quantity of  
accepted offers  
to exports

3,532.3

Earned from  
CCC Stocks

901.0

Redeemed from  
CCC Stocks\*

918.8

**RICE<sup>o</sup>**

Dec. 15, 1958-June 30, 1964  
Mil. Cwt.

112.7

42.7

6.3

\* INCLUDES "PRE BUY" SALES FOR WHICH  
CERTIFICATES ARE TO BE ISSUED.

<sup>o</sup> MILLED RICE EQUIVALENT CERTIFICATES SUBMITTED  
FOR RICE REDEMPTION ARE ACTUALLY REDEEMED  
IN ROUGH RICE.

# SECTION

## COMPETITIVE BID PROGRAMS AND EXPANSION OF AGRICULTURAL EXPORTS

This section shows the total U. S. agricultural export picture by Government Programs and sales for dollars for the period calendar years 1958 through 1963.

Also demonstrated is the recent emergence of Japan as the world's largest importer of U. S. agricultural commodities. Steps taken to make commodities, particularly wheat, available for this market from the West Coast are outlined; and the recent growth in dairy exports are highlighted.



**U.S. exports under specified Government-financed programs, exports outside specified Government-financed programs, and total agricultural exports; Value and percent of total, Calendar years 1958 through 1963**

| Type of export  | 1958              | 1959         | 1960         | 1961         | 1962         | 1963            |
|---|-------------------|--------------|--------------|--------------|--------------|-----------------|
| .....   |                   |              |              |              |              |                 |
|   | —Million dollars— |              |              |              |              |                 |
| <b>Public Law 480:</b>  |                   |              |              |              |              |                 |
| Title I, sales for foreign currency .....   | 753               | 732          | 1,016        | 879          | 997          | 1,151           |
| Title II, disaster relief .....   | 84                | 56           | 79           | 195          | 143          | 174             |
| Title III, donations .....  | 159               | 107          | 122          | 155          | 178          | 169             |
| Title III, barter .....   | 65                | 176          | 118          | 182          | 137          | 75 <sup>1</sup> |
| Title IV, long-term supply and dollar credit sales .....  | —                 | —            | —            | 1            | 42           | 51              |
| <b>Total Public Law 480 .....</b>   | <b>1,061</b>      | <b>1,071</b> | <b>1,335</b> | <b>1,412</b> | <b>1,497</b> | <b>1,620</b>    |
| <b>Mutual Security (AID), Secs. 402 and 550, sales for foreign currency and economic aid<sup>2</sup> ....</b> | <b>214</b>        | <b>158</b>   | <b>157</b>   | <b>179</b>   | <b>35</b>    | <b>11</b>       |
| <b>Total exports under specified Government-financed programs .....</b>                                       | <b>1,275</b>      | <b>1,229</b> | <b>1,492</b> | <b>1,591</b> | <b>1,532</b> | <b>1,631</b>    |
| <b>Total exports outside specified Government-financed programs<sup>3</sup> .....</b>                         | <b>2,580</b>      | <b>2,726</b> | <b>3,340</b> | <b>3,433</b> | <b>3,502</b> | <b>3,953</b>    |
| <b>Total agricultural exports .....</b>   | <b>3,855</b>      | <b>3,955</b> | <b>4,832</b> | <b>5,024</b> | <b>5,034</b> | <b>5,584</b>    |

<sup>1</sup> The addition of \$22 million shipments under the barter program in July-December 1954 brings the total of shipments under this program since the beginning of P.L. 480 to \$1,649 million.

<sup>2</sup> Values shown are disbursements for exports.

<sup>3</sup> Exports "outside specified Government programs" (sales for dollars) include, in addition to unassisted commercial transactions, shipments of same commodities with governmental assistance in the form of (1) extension of credit for relatively short periods (CCC Export Credit Sales Program, GSM-1 Rev. & GSM-2 Rev.), (2) sales of Government-owned commodities at less than domestic market prices, and (3) export payments in cash or in kind.



## HARD WINTER WHEAT FOR FAR EASTERN MARKETS

In the early 1960s the Department of Agriculture, in cooperation with Grower Wheat Market Development Groups, launched an intensified program to encourage the use of U. S. Hard Winter Wheat in Far Eastern markets.

Hard Winter Wheat produced in areas contingent to the West Coast could not be depended upon for a sizable continuing supply of this class of wheat and means were sought whereby Hard Winter Wheat grown in the Midwest could be utilized to provide an adequate continuing supply to service the Asiatic markets from West Coast ports. Railroads were petitioned to lower westbound rates on wheat origi-

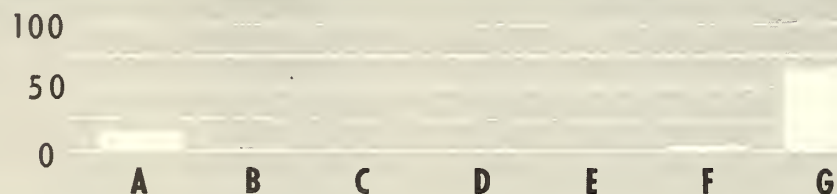
nating in the Midwest and in May 1962, a freight rate adjustment lowering the then existing rates to 70¢ per cwt. for wheat originating west of the 100th Meridian became effective. With the lower rates the Department was then in position to maintain stocks of CCC-owned Hard Winter Wheat on the West Coast to assure a continuity of supply for export from West Coast ports to the Asiatic markets.

During the period June 13, 1962 through June 30, 1964, CCC has shipped approximately 65 million bushels of Hard Winter Wheat to the West Coast from Midwest origin points and during the same period has placed into export approximately 54 million bushels out of the stocks moved to the West Coast.

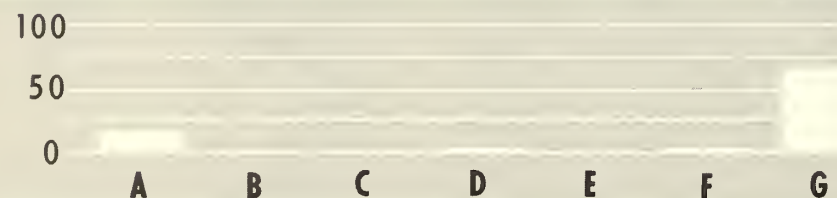
### U. S. EXPORTS UNDER SPECIFIED GOVERNMENT-FINANCED PROGRAMS, EXPORTS OUTSIDE SPECIFIED GOVERNMENT-FINANCED PROGRAMS, AND TOTAL AGRICULTURAL EXPORTS

PERCENT OF TOTAL

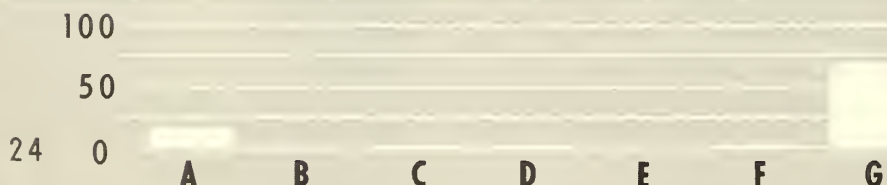
1958



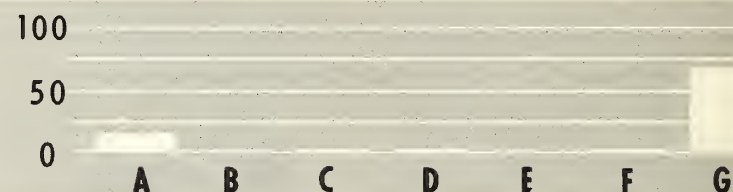
1959



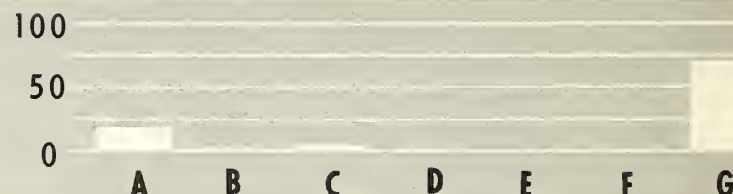
1960



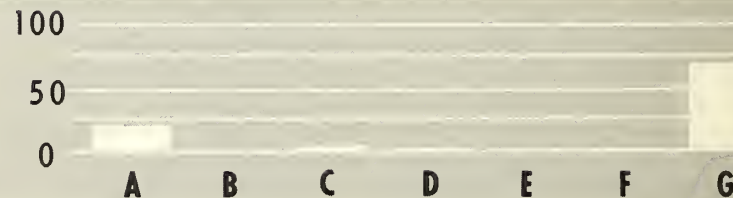
1961



1962



1963

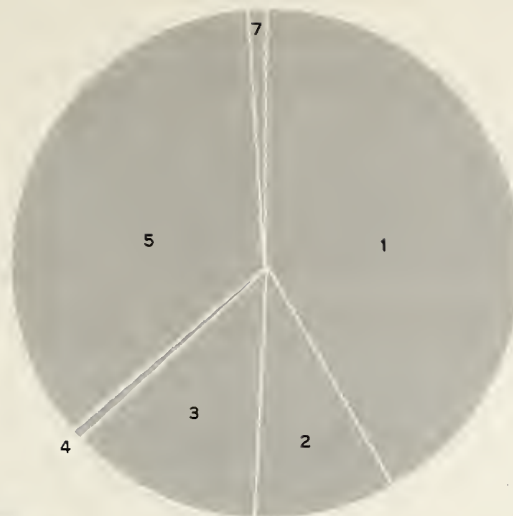


|   |           |   |                     |
|---|-----------|---|---------------------|
| A | TITLE I   | F | AID                 |
| B | TITLE II  | G | OUTSIDE SPECIFIED   |
| C | TITLE III |   | GOVERNMENT-FINANCED |
| D | TITLE III |   | PROGRAMS            |
| E | TITLE IV  |   |                     |
|   | Donations |   |                     |
|   | Barter    |   |                     |





1957-58



1958-59

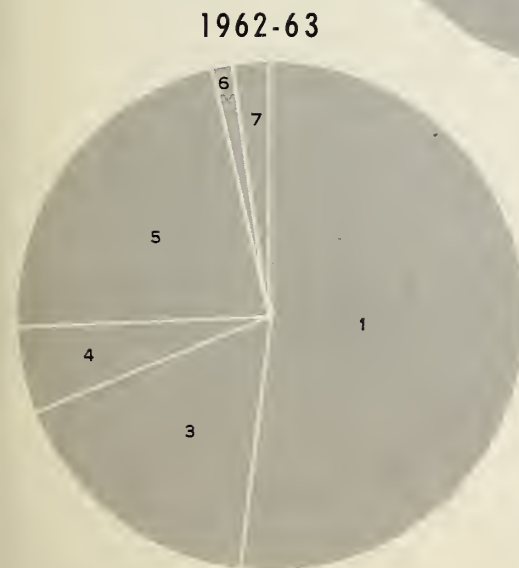


1959-60

## EXPORTS OF U. S. AGRICULTURAL COMMODITIES TO JAPAN



1960-61



1962-63

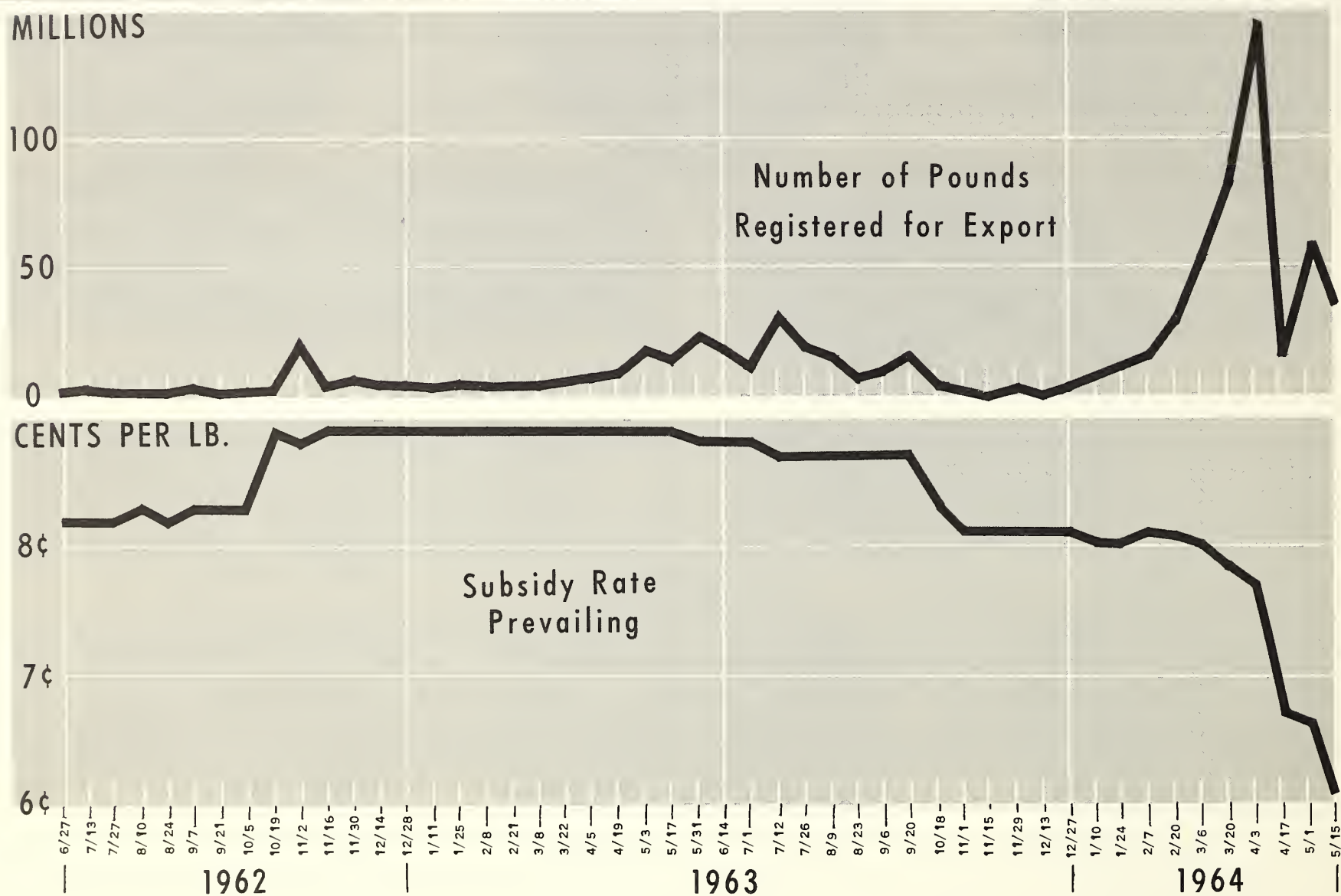


1961-62



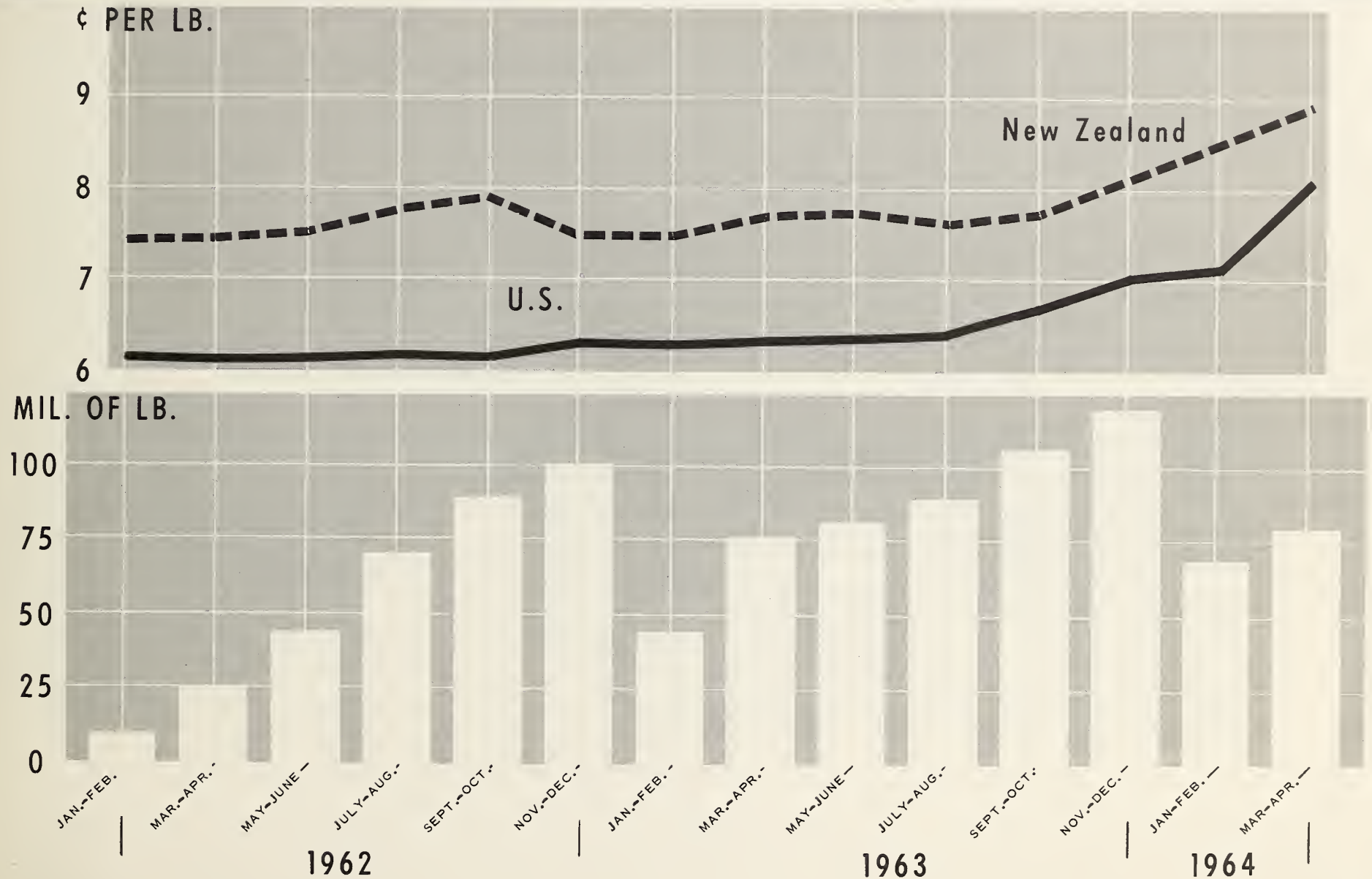
## NONFAT DRY MILK

*Registrations of Exports Under Payment-In-Kind Program (SM-7) from Inception June 27, 1962 to Termination May 22, 1964 with Applicable Export Payment Rate*



# NONFAT DRY MILK

CCC Export Sales Prices FAS U.S. Port of Export, Export Sales Prices for New Zealand Non-Fat Dry Milk f.o.b. Wellington and Cumulative Quantity Sold by CCC



# BUTTER

CCC Export Sales Prices, FAS U.S. Port of Export, Prices New Zealand and Australian Butter, Ex Wharf London, and Cumulative Quantity Sold by CCC

